

Support to County Departments

County Counsel

General Services Agency

Fleet Services

Information Technology

Reprographics

Human Resources

Risk Management

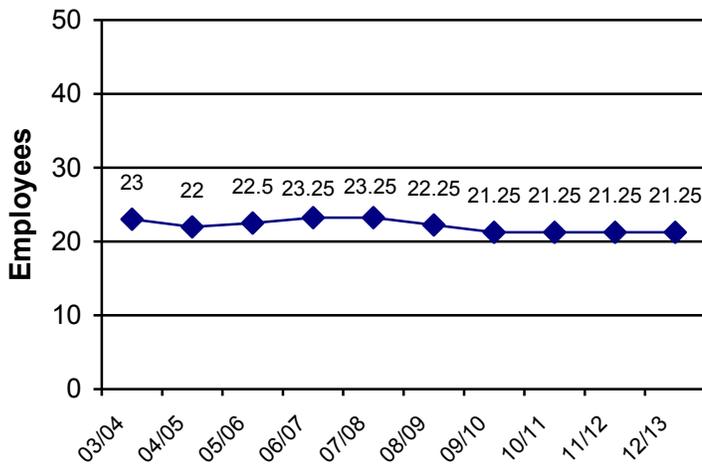
Self Insurance

MISSION STATEMENT

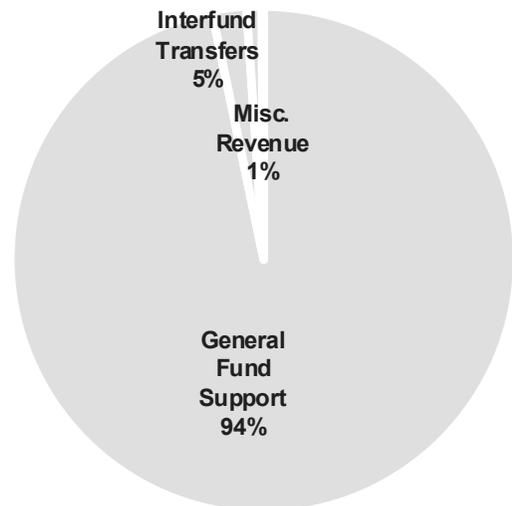
To provide accurate and reliable legal services to County departments, boards, agencies, and special districts in a manner which is cost effective and promotes excellence in delivery of government services to the public.

	2011-12 Budget	2011-12 Projected	2012-13 Requested	2012-13 Recommended	Change From 2011-12
Financial Summary					
Intergovernmental Revenue	\$ 4,112	\$ 4,112	\$ 2,483	\$ 2,483	\$ (1,629)
Charges for Current Services	35,000	32,500	32,500	32,500	(2,500)
Interfund	75,000	185,000	82,500	190,017	115,017
**Total Revenue	\$ 114,112	\$ 221,612	\$ 117,483	\$ 225,000	\$ 110,888
Salary and Benefits	3,276,235	3,220,000	3,224,249	3,340,860	64,625
Services and Supplies	190,247	464,765	184,162	185,404	(4,843)
**Gross Expenditures	\$ 3,466,482	\$ 3,684,765	\$ 3,408,411	\$ 3,526,264	\$ 59,782
Less Intrafund Transfers	0	2,550	0	0	0
**Net Expenditures	\$ 3,466,482	\$ 3,682,215	\$ 3,408,411	\$ 3,526,264	\$ 59,782
General Fund Support (G.F.S.)	<u>\$ 3,352,370</u>	<u>\$ 3,460,603</u>	<u>\$ 3,290,928</u>	<u>\$ 3,301,264</u>	<u>\$ (51,106)</u>

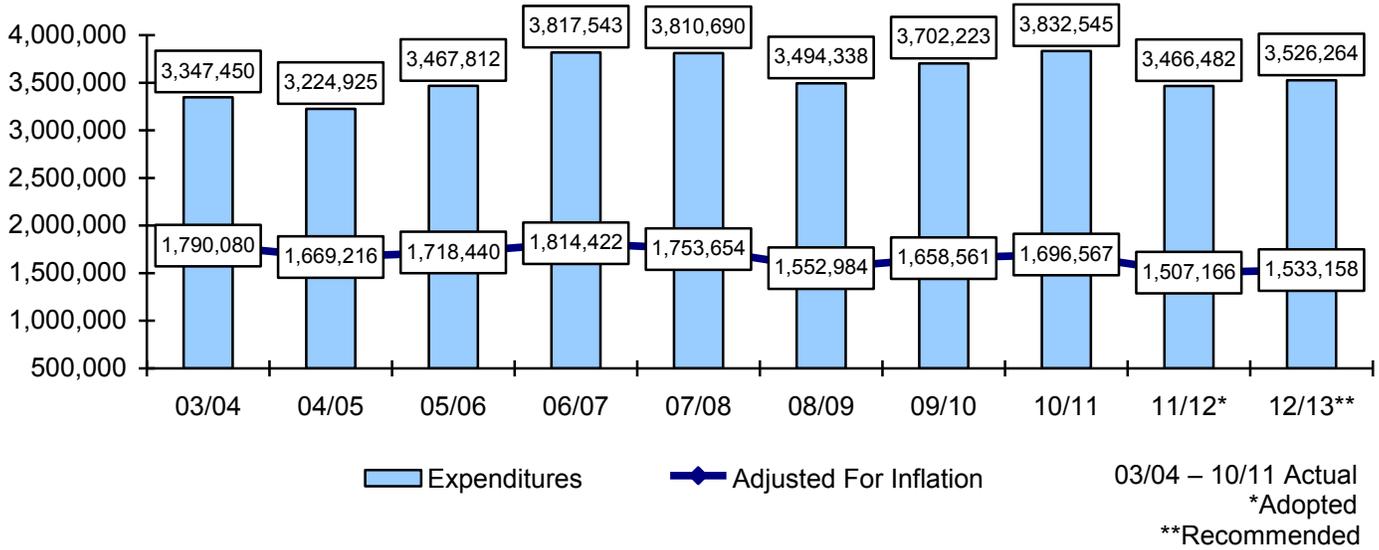
Number of Employees
 (Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

County Counsel has a total expenditure level of \$3,526,264 and a total staffing level of 21.25 FTE to provide the following services:

Litigation

Defend the County and special districts and provide litigation services in complex lawsuits including tax, personnel, contract, and land use matters to minimize liability and maximize County recovery. Represent the County and protect the interests of the client in cases that address the special needs of fragile populations in the community (children referred to Child Welfare Services, residents receiving mental health care and individuals requiring conservatorship), as well as estates without probate representation.

Total Expenditures: \$1,198,930 Total Staffing (FTE): 7.25

Legal Advice

Provide representation and legal advice to the Board of Supervisors, approximately 70 County boards, commissions, departments, agencies, or divisions (including 3 joint powers agencies to which the County belongs), and to the managers of approximately 20 Board governed special districts, as well as certain legal services to approximately 15 non-Board governed special districts. Conduct legal research; draft, review, and approve agreements, contracts, and projects; and advise County officers regarding their legal responsibilities under federal and state law. Protect the County and its officers from liability and enable the Board of Supervisors to carry out its programs and policies within the limits of the law.

Total Expenditures: \$2,327,334 Total Staffing (FTE): 14.00

DEPARTMENT COMMENTS

The Office of the County Counsel provides legal advice and litigation representation to the Board of Supervisors and approximately 70 County boards, commissions, departments, agencies and special districts. The County Counsel attorneys work with their clients to provide accurate and timely legal advice that encourages policy innovation while protecting County resources. When litigation does arise, the department’s attorneys approach each matter strategically. Through the wise use of in-house and outside counsel, we seek to uphold the Board’s policy direction while protecting the County’s assets.

Support to County Departments

To the extent feasible, with respect to matters outside of the Risk Management Program, County Counsel seeks to reduce the use of outside counsel (which is generally more expensive than County Counsel) and to handle such matters in-house in order to preserve County funds.

Following are some of the department's notable accomplishments for FY 2011-12 and some specific objectives for FY 2012-13:

FY 2011-12 Accomplishments

- Realized favorable judgments or settlements for the following:
 - *Sunny Acres v County* (appointment of receiver to clean up the Sunny Acres/ DeVaul property)
 - *Cowan v County* (personal injury)
 - *Warren v County* (personal injury)
 - *Herrera v County* (personal injury)
 - *Renfro v County* (personal injury)
 - *Burkhardt v County* (personal injury)
 - *Stark v County* (challenge to Los Osos Wastewater Project)
 - *Charter Communications v County* (tax refund action)
 - *In re Los Osos CSD* (Chapter 9 municipal bankruptcy)
 - *International Fidelity Insurance Co.* (dispute regarding subdivision developments - settled for \$459,829 without litigation)
 - *Cal Fire Contract Dispute* (contract dispute – settled without litigation – contractor paid the County \$18,500)
 - *Stahl v County* (dispute regarding airport development rights – settled without litigation)
- Processed more than 650 dependency petitions, trials and mediations for child welfare cases.
- Significant transactional work has included the following:
 - Review and initial stages of implementation of the First Solar and SunPower solar projects
 - Development of agreements with First Solar and SunPower to ensure the County receives certain substantial amounts of sales tax
 - Continued review and implementation of the Los Osos Wastewater Project
 - Board adoption of the County's first EnergyWise Plan (Climate Action Plan)

FY 2012-13 Objectives

- Provide legal counsel for the following:
 - Continued implementation of the SunPower and First Solar projects, ensuring that the conditions of approval are satisfied
 - Los Osos Wastewater Project – plan, finance, and construct a major waste water system
 - Los Osos Habitat Conservation Plan
 - Los Osos Groundwater Management Plan
 - Women's jail project – construct jail facility
 - Child Welfare Services – protection of abused and neglected children
 - Implementation of Paso Robles groundwater measures
 - Land Use and Circulation Element Rural Area Update
 - Labor relations

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to decrease \$51,106 or 1% compared to the FY 2011-12 adopted level. Revenues are recommended to increase \$110,888 or 97% and total expenditures are recommended to increase \$59,782 or 1%.

The department's revenue consists almost entirely of charges to outside agencies and other County departments for legal services. Revenues are recommended to increase significantly, due to a projected increase in the number of hours billed for the Los Osos Wastewater project, as well as the number of hours billed to the Public Works Department for a variety of other projects. Although the increase in revenue is significant (revenues are

recommended to almost double compared to the FY 2011-12 adopted level), it should be noted that the recommended revenue levels are consistent with where the department is estimating that it will end the current year.

Salary and benefits are increasing \$64,625 or 1%. This increase is due largely to the restoration of funding for 1.00 FTE Deputy County Counsel position that was left unfunded during FY 2011-12. The position was vacant at the beginning of FY 2011-12 and left unfunded throughout the year so that the department could meet its reduction target for FY 2011-12. However, the position remained on the department's Position Allocation List (PAL) to provide the department with greater flexibility to reorganize staff or redistribute workload upon completion of an organizational assessment that has taken place in the current year. The restoration of funding for the Deputy County Counsel position is partially offset by a retirement that will occur before the beginning of FY 2012-13, resulting in a departmental promotional and two positions being filled at pay steps lower than what was budgeted for in FY 2011-12.

Services and supplies are decreasing \$4,843 or 2% due to minor reductions in a variety of accounts, including a decrease in the department's share of liability insurance premiums.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Provide exemplary litigation services, defending decisions and advocating positions of our clients to assist those clients in achieving their objectives.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input checked="" type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>1. Performance Measure: Cases litigated where we achieve a positive outcome determined as follows below.</p>						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
21 Resolved 161 Pending	44 Resolved 148 Pending	49 Resolved 162 Pending	53 Resolved 156 Pending	50 Resolved 150 Pending	55 Resolved 125 Pending	30 Resolved 131 Pending
<p>What: This measure tracks the number of cases where County Counsel realized a positive outcome by successfully defending the legislative and executive decisions of the Board of Supervisors, upholding County officers' decisions and protecting County assets.</p> <p>Why: Tracking the results of cases litigated by County Counsel helps to measure the success of the department in implementing governmental decisions and protecting the County's proprietary interests.</p> <p>How are we doing? It is projected that approximately 55 litigation files will be closed during this fiscal year. We are currently managing or overseeing 116 lawsuits and administrative proceedings (not counting probate matters, conservatorships, mental health habeas corpus proceedings, and juvenile dependency matters).</p>						
<p>Department Goal: Represent the County and advocate to protect the interests of the client in cases which address the special needs of fragile populations in the community (children referred to Child Welfare Services, residents receiving mental health care and individuals requiring financial conservatorship), as well as estates without probate representation.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>2. Performance Measure: Proceedings in which legal advice is provided to Child Welfare Services (CWS) and advocate representation is provided in court to assure that the law is followed while attempting to achieve results that are in the best interest of the child.</p>						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
459	629	700	690	600	650	650
<p>What: A large number of proceedings are handled annually by CWS to protect the children of our community. County Counsel provides legal representation in all court appearances for CWS matters.</p>						

Why: If strong legal representation is provided by County Counsel to CWS in these matters, then CWS will be successful in protecting the abused and neglected children of our community.

How are we doing? It should be noted that the County Counsel's office has virtually no influence on the number of proceedings that are handled. We handle whatever comes our way via the Department of Social Services (DSS). The number of proceedings depends on numerous factors beyond our control, including (1) the number of proceedings initiated by participants in the juvenile court (DSS, parents, children, etc.); (2) the mix of proceedings that need to be disposed of (e.g., more complex proceedings consuming large amounts of court and DSS resources generally means that fewer short cases can be processed by the court and DSS); and (3) the amount of juvenile court resources available to hear proceedings, which tends to be finite. Not included in the figures above are the number of writs and appeals that are filed in regard to these cases. It should be noted that the number of writs and appeals continue to increase each year, for reasons beyond our control. For example: parents are entitled to outside appellate counsel from a large panel, and individual panel attorneys may take more aggressive approaches. In addition, changes in statutes or case law can trigger a rash of related appeals. A significant amount of work is required to prepare responses to these filings and to argue some at the Court of Appeal. No comparable county data is available.

3. Performance Measure: Cases involving people who are unable to care for themselves in which County Counsel represents the County to assure that the law is followed while attempting to achieve results that are in the best interest of the individual as determined by the Public Guardian, Public Administrator or Department of Behavioral Health.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
158	162	143	148	150	155	150

What: The Public Guardian is appointed as Conservator on an ongoing basis for individuals when it has been determined by the court that they cannot care for themselves. The Department of Behavioral Health assists individuals in urgent short-term mental health situations such as Habeas Corpus matters, where it comes to the authorities' attention that the individual needs immediate assistance and are detained (for not more than 72 hours) until a judge makes a determination as to whether or not they are able to care for themselves. The Public Administrator is appointed by the court to assist in the disposition of the estate of a decedent where no executor is available. County Counsel is involved in these matters in order to assure that the law is complied with while protecting the rights of those members of our community who are unable to make their own decisions or care for themselves. County Counsel provides legal representation in all court appearances for these matters.

Why: If effective legal representation is provided by County Counsel in these matters, the Public Guardian and Public Administrator will be successful in assuring the care of those in the community who are unable to care for themselves and the Department of Behavioral Health will be more likely to improve the mental stability of its patients.

How are we doing? So far during FY 2011-12, there have been 17 Habeas Corpus matters handled by County Counsel. Based on this number, it is expected that there will be approximately 41 during this fiscal year. At present, there are 105 ongoing/active conservatorship cases, as well as eight estate matters from the Public Administrator. The number of conservatorship cases holds fairly steady, though their complexity continues to be at an elevated level, resulting in more hours of preparation and increased court appearances than in years past. No comparable county data is available.

Department Goal: Provide accurate, timely, and reliable document review and legal advice for County boards, commissions, departments, and agencies in order to help these clients achieve their objectives without unnecessary litigation or loss.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

4. Performance Measure: Percentage of clients who report advice provided by attorneys was clear, relevant and timely.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
95%	95%	95%	97%	99%	99%	99%

What: This measurement reflects the level of satisfaction with County Counsel's departmental support as reported by department representatives during the yearly attorney evaluation process and through frequent contact with managers and staff of client departments.

Why: Each of our clients operates under a highly technical set of governing laws and regulations. By helping them understand and meet their legal obligations, we help them serve the community. Asking departments to evaluate the work that County Counsel does provides us with the opportunity to improve our services to departments.

How are we doing? Results are calculated by comparing the number of clients the department represents (106) with the comments received. The FY 2011-12 target of 99% represents 105 clients reporting that advice from County Counsel was clear, relevant and timely. The results have improved. No comparable county data is available.

5. Performance Measure: Percentage of projects in which the response to requests for legal advice or contract review are completed within five working days.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
97%	96%	98%	99%	98%	90%	90%

What: This measurement reflects the percentage of time that the review a variety of legal documents, conduct of research, and rendering of opinions as requested, is completed within five working days.

Why: It is our intent to be in contact with the requestor or respond to each written request for legal advice within five working days. Measuring our response time to requests for legal advice enables us to evaluate our customer service and improve the assistance we provide to our clients in achieving their objectives as expeditiously as possible.

How are we doing? At this point in FY 2011-12, there have been 1,713 requests for legal advice submitted by various departments. Approximately 88% of these requests for legal advice were completed within five working days. Please note that the results for prior years were calculated on a point-in-time basis as opposed to individual comparisons of received date and completed date. Using the new, more accurate method on a retrospective basis yields a comparable result of 92% for FY 2010-11. The decrease in timeliness from FY 2010-11 to FY 2011-12 reflects short-staffing and overall increased workload for our attorneys. Some of the requests for legal advice require considerable time to complete due to their complexity or necessary research but the requests are not weighted according to complexity or difficulty and therefore do not take this factor into account. No comparable county data is available.

6. Performance Measure: Percentage of contracted projects and Board of Supervisors agenda items completed without litigation.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
99%	99%	99%	99%	99%	99%	99%

What: All contracts and agreements are reviewed and approved prior to being presented at the Board of Supervisors meetings. These contracts and agreements pertain to a variety of issues, including capital projects, services, land use, etc. County Counsel also provides continuous legal advice while contracts are administered. All land use planning issues before the Board are reviewed by this office and advice is provided on all such items. This measure reflects the percentage of time that County Counsel provides the legal advice necessary to avoid litigation regarding contracts and agreements approved by the Board of Supervisors.

Why: Providing good legal advice in the review and administration of contracts and other agreements tends to inversely correlate with the number of lawsuits filed challenging the approval or administration of those contracts. Approval and administration of the contracts and other agreements without litigation helps our clients to achieve their objectives and creates a significant savings for the County.

How are we doing? At this point in FY 2011-12, there have been 3 lawsuits filed that involved the County and were a result of a contracted project, agreement, and/or Board of Supervisors agenda item. The Board averages approximately 1,000 agenda items and/or contracted projects during each fiscal year; all contracts and agreements are signed off by County Counsel and the remainder of the agenda items are reviewed by County Counsel. No comparable county data is available.

Department Goal: Provide effective legal representation to County boards, commissions, departments, and agencies in a cost-effective manner.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

7. Performance Measure: County Counsel expenses as a percentage of the County Budget.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
.78%	.66%	.69%	.81%	.76%	.76%	.76%

What: This measure demonstrates the relationship between County Counsel's expenditures and the expenditures of the County as a whole. This measurement is obtained by dividing the County Counsel net County cost by the County's total budget.

Why: County Counsel strives to keep costs as low as possible, while providing effective legal advice and representation to its clients. This measure provides an indication of how cost effective County Counsel's legal support is.

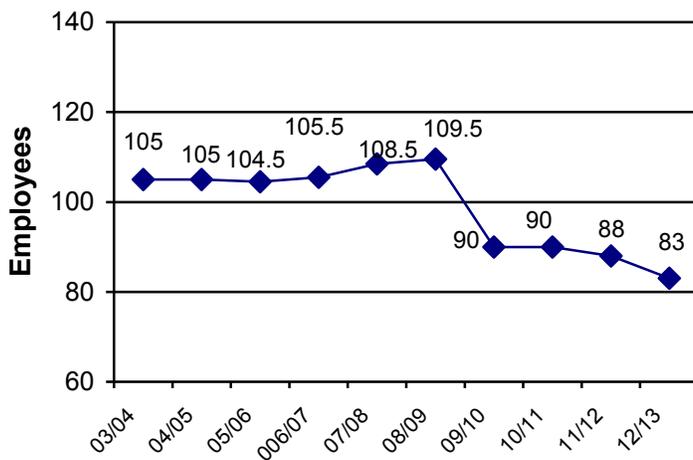
How are we doing? County Counsel's operating budget continues to stay fairly consistent with prior years. Expenditures are monitored closely throughout the year. The budget status includes the funds that are encumbered periodically during the year for professional services (i.e., outside law firms and outside technical experts). These professional services are incurred on behalf of the County and are budgeted and paid through the County Counsel budget. The actual results for FY 2010-11 were higher than the FY 2010-11 adopted level due to an unusual number of cases requiring specialized professional services not available through the County Counsel office. At the beginning of any budget process, it is difficult to predict what professional services might be required.

MISSION STATEMENT

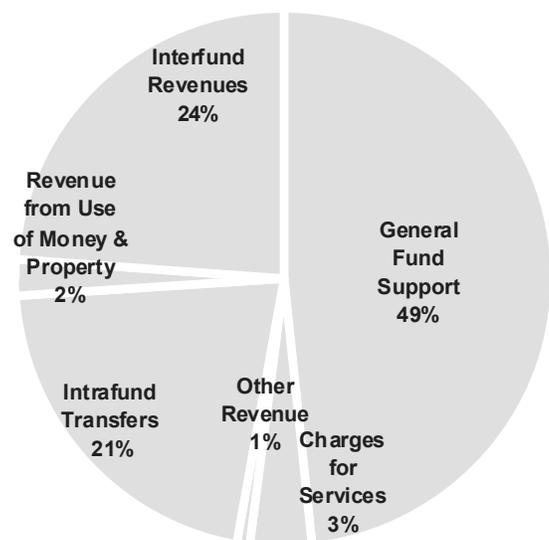
General Services provides cost effective, functional, safe facilities for San Luis Obispo County by delivering excellent services that enable the professional operation of County business.

<u>Financial Summary</u>	<u>2011-12 Budget</u>	<u>2011-12 Projected</u>	<u>2012-13 Requested</u>	<u>2012-13 Recommended</u>	<u>Change From 2011-12</u>
Licenses and Permits	\$ 10,000	\$ 12,270	\$ 14,000	\$ 14,000	\$ 4,000
Revenue from Use of Money & Property	246,391	222,927	247,404	247,404	1,013
Intergovernmental Revenue	4,527	5,850	0	9,600	5,073
Charges for Current Services	575,988	373,202	414,429	414,429	(161,559)
Other Revenues	86,337	1,965,440	97,349	97,349	11,012
Interfund	<u>2,330,525</u>	<u>2,224,477</u>	<u>2,984,843</u>	<u>2,925,559</u>	<u>595,034</u>
**Total Revenue	\$ 3,253,768	\$ 4,804,166	\$ 3,758,025	\$ 3,708,341	\$ 454,573
Salary and Benefits	8,188,195	7,853,142	8,033,919	7,878,871	(309,324)
Services and Supplies	4,338,860	4,337,385	4,295,796	4,246,112	(92,748)
Other Charges	91,025	1,945,525	77,025	72,561	(18,464)
Fixed Assets	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,000)</u>
**Gross Expenditures	\$ 12,627,080	\$ 14,136,052	\$ 12,406,740	\$ 12,197,544	\$ (429,536)
Less Intrafund Transfers	<u>2,044,554</u>	<u>1,981,179</u>	<u>2,566,314</u>	<u>2,584,225</u>	<u>539,671</u>
**Net Expenditures	\$ 10,582,526	\$ 12,154,873	\$ 9,840,426	\$ 9,613,319	\$ (969,207)
General Fund Support (G.F.S.)	<u>\$ 7,328,758</u>	<u>\$ 7,350,707</u>	<u>\$ 6,082,401</u>	<u>\$ 5,904,978</u>	<u>\$ (1,423,780)</u>

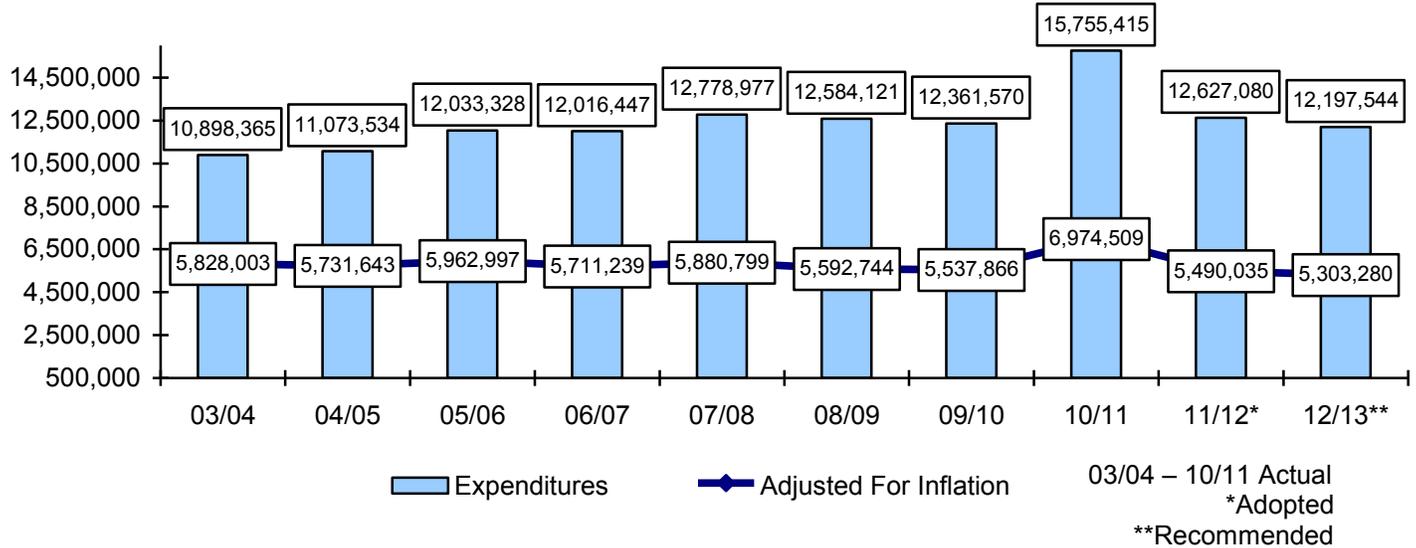
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

General Services Agency has a total expenditure level of \$12,197,544 and a total staffing level of 83.00 FTE to provide the following services.

Administration and Financial Services

Provide general management, financial management, supervision, accounting, and administrative support to all business units in the General Services Agency, including County Airports, Fleet Services, Parks and Golf Courses.

Total Expenditures: \$1,802,750 Total Staffing (FTE): 13.00

Architectural Services

Manage the construction process (design, bidding, contractor selection, implementation, and contract administration) for capital improvement and maintenance projects for County-owned buildings.

Total Expenditures: \$1,279,340 Total Staffing (FTE): 10.00

Central Mail Services

Pick up and deliver interoffice and U.S. mail for all County Departments and pick-up, meter, and sort outgoing U.S. mail in a cost effective, efficient and reliable manner.

Total Expenditures: \$664,839 Total Staffing (FTE): 2.00

Purchasing Services

Effectively manage the centralized purchasing program for all County Departments and maintain the public trust in the expenditure of County funds.

Total Expenditures: \$347,596 Total Staffing (FTE): 4.00

Support to County Departments

Custodial Services

Provide custodial services to County facilities, Courts and some leased facilities.

Total Expenditures: \$1,877,163 Total Staffing (FTE): 24.00

Facility Maintenance Services

Provide operational and maintenance services to County-owned facilities, Courts and some leased facilities.

Total Expenditures: \$3,326,776 Total Staffing (FTE): 25.00

Utility Services

Provide utility management services, including gas, electric, water, refuse, to all County Departments. Manage energy and cost saving programs, rebates, and energy saving grant opportunities. Make recommendations for energy efficiency and savings opportunities. Coordinate compliance with California Energy Code, Energy Element of the County Land Use Ordinance, and County Energy Use Policy.

Total Expenditures: \$1,079,090 Total Staffing (FTE): 1.00

Real Property Services

Manage the utilization, leasing, permitting, acquisition, purchase, sale and transfer of County-owned real property, including land, buildings, and improvements. Procure, negotiate, establish and administer real property lease contracts and agreements for County Departments (i.e. County as Lessee and County as Lessor/Permitter).

Total Expenditures: \$1,819,990 Total Staffing (FTE): 4.00

DEPARTMENT COMMENTS

The General Services business unit provides a wide variety of services directly to the public and in support of County Departments including: Building Facility Services to sustain a proactive maintenance program for County facilities and respond to facility emergencies; Custodial Services to provide cleaning services for over 100 County buildings and structures; Architectural Services to manage the design and construction of new and renovated County buildings and parks; Utility Services to coordinate, manage and encourage the reduction of greenhouse gases and the conservation of utilities in county owned facilities; Real Property Services to oversee leased properties and manage legal information about County properties; Countywide Purchasing to centralize the purchase of equipment and materials for all County departments; and internal County mail delivery.

Over the past few years, the Facility Services (Maintenance Mechanics and Custodians) have seen reductions in staffing levels. This has required management and staff to continue to reprioritize work orders, modify schedules and routes, and create focused work teams to address the most serious customer and facility issues. A facility assessment will be undertaken to quantify the impacts that deferred maintenance have had on County facilities.

All General Services business units will continue to evaluate ways to streamline and improve processes, identify and implement best practices where feasible, document procedures, and increase customer communications.

Recently the cost recovery methodology was redesigned for FY 2012-13. This major change brings the recovery of costs into alignment with the delivery of the services and aligns facility services on a 'per square foot' basis. Customers will receive a Service Level Understanding that outlines the services they can expect to receive.

Following are some of the department's notable accomplishments for FY 2011-12 and some specific objectives for FY 2012-13.

FY 11-12 Accomplishments

- Created and conducted Supervisory training module on the disciplinary process
- Completed restructuring of the General Services fees to align cost recovery with the services delivered.
- Developed Service Level Understandings for all customers.
- Accomplished the first phase of facility assessments by completing a comprehensive inventory of County property including square footage measurements.
- Implemented monthly 'dash-board' status reports for two business units (Architectural Services and Real Property Services).

FY 12-13 Objectives

- Create and conduct Supervisory training module on creating job standards.
- Complete next phase of Facility Condition Assessment to physically review County owned buildings for deferred maintenance impacts.
- Expand and improve monthly status 'dash board' reports on financial and operational status for Facility Services.
- Continue updating safety training and specific skill training.
- Continue process improvements and documentation of procedures focusing on Architectural Services and Facility Services.
- Increase use of the County sponsored intranet to improve customer access to information and the services provided.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to decrease by \$1,423,780 or 19 % compared to the FY 2011-12 adopted level. Revenues are recommended to increase \$454,573 or 13%. Total expenditures are recommended to decrease by \$969,207 or 9%.

It should be noted that that the Status Quo Budget for the department included a \$1,266,357 decrease in General Fund due to the shift to full cost recovery for General Services charges related to maintenance and custodial services. The department will realize a significant increase in revenues from service charges as result of the change to full cost recovery. The level of General Fund support to the department is reduced by 17% as result of the shift to full cost recovery. Without this shift, the General Fund support would be 2% less than the amount in the FY 2011-12 adopted budget.

The \$454,573 recommended revenue increase is primarily due to changes in the charging structure for services provided. General Services has moved to a full cost recovery for custodial, maintenance and other services that are applied to non-General Fund departments or departments with state and federal revenue sources to cover costs. Historically, the actual costs associated with services have been partially captured in the General Services charges to departments, and partially captured in County Cost Plan as overhead charges. The shift to full cost recovery through direct charges results in departments paying the entire cost for services directly to General Services, rather than paying a portion to General Services and a portion to Countywide overhead. Departments will now pay only the full cost direct charge and countywide overhead charges will be reduced by an amount equivalent to the increase in direct charges.

General Services will now receive revenue that reflects the full cost for providing the services directly from departments. The portion of General Fund that was previously allocated to General Services to cover the actual service cost that was recovered in countywide overhead is being eliminated from the General Services Budget. The recommended General Fund support for this department is being reduced by approximately \$1.4 million. Approximately \$1.2 million of the reduced General Fund is due to the shift to full cost recovery. The reduction in General Fund in this department is balanced by an equivalent reduction in General Fund that was previously

captured in countywide overhead charges and used to finance the overall County budget. The shift to full cost results in increased revenues and increased intrafund expense offsets, discussed in subsequent sections.

Total gross expenditures are recommended to decrease by \$429,536 or 4% compared to the FY 2011-12 adopted budget. The main components of this decrease include a \$309,324 decrease in salaries and benefits, and a 92,748, or 2% decrease in services and supplies. An increase of \$521,760 in intrafund offsets results in net expenditures being \$969,2017, or 9% less than the FY 2011-12 adopted General Services budget.

Salary and Benefits expenditures are budgeted for a decrease of \$309,324 or 3% compared to the FY 2011-12 adopted level. There are several components which contribute to the recommended decrease in salary and benefit expense. The main components are identified below.

- The General Services department is transferring the grounds maintenance function to Parks. This better aligns the function with the organization which has historically managed grounds maintenance at parks as well as County facilities. This transfer includes moving three full time filled positions from the General Services Position Allocation List (PAL) to the Parks PAL along with expense for the positions. This reduces the salary and benefit costs in the General Services Budget by approximately \$228,000.
- The recommended budget includes the elimination of two vacant Custodian positions with a total savings of \$133,222 in salary and benefit expense.
- Savings from Voluntary Time Off (VTO) reduces salary and benefit expense by \$21,826..
- The General Services budget also shows increases in salary and benefits accounts that total \$139,843. There is an increase of \$27,000 for overtime and differential pay which reflects actual usage by maintenance and other on call staff. An increase of \$26,865 to fund the change of one position from an Architectural Associate Coordinator position to an Architectural Senior Coordinator position. This corrects a position allocation error in the department's FY 2011-12 budget submittal. The department also shows an increase in temporary help of \$85,978 which is largely related to funding existing temporary help in Architectural Services to assist with the backlog of major maintenance and capital projects.

Services and supplies expenditures are budgeted to decrease \$43,064 or less than 1%, as compared to the FY 2011-12 adopted budget. The overall reduction in expense in this category is comprised of a mix of increases and decreases in individual accounts. Accounts which show substantial increases include maintenance materials, professional services, custodial supplies, and significant value purchases which combined show a \$226,575 increase over the FY 2011-12 amounts. Reductions include a \$99,850 decrease in postage expense due to reduced use of mail services, a \$85,439 reduction in insurance charges and a \$134,067 decrease in charges from Parks associated with the transfer of the grounds function to Parks.

The \$539,671 increase in intrafund offsets is largely due the revised full cost recovery for services as discussed above. Intrafund offsets are charges to departments which are applied as an offset to expense in the department.

The recommended amount of General Fund support in FY 2012-13 is \$1,423,780 or a 19% decrease from the FY 2011-121 adopted budget. It is noted that the Status Quo Budget for the department included a \$1,266,357 decrease in General Fund due to the shift to full cost recovery resulting in increased revenues and offsets and lower General Fund Support.

Consistent with Board of Supervisors' overall direction on the budget, the FY 2011-12 CAO recommendations include several changes to the department's budget request which further reduce the department's level of General Fund support by approximately \$158,000. The recommended changes and their impacts include:

- \$21,826 in salary and benefit savings from the use of Voluntary Time Off. This is expected to have minimal impacts to department operations.
- \$4,464 reduction in contribution to the San Luis Obispo History Center. The History Center has been notified of the change and this organization will still receive approximately \$71,061 from the department to support the operations of the History Center which includes the maintenance of the San Luis Obispo County Historical Museum.

- \$133,222 reduction to salary and benefit expense by eliminating 2.0 FTE vacant Custodian positions. The Courts have reduced their use of County custodial staff and the service level impact of the eliminating the custodian positions will not substantially impact custodial services.

The number of positions in General Services as shown on the PAL will decrease by 5 FTE. Three positions associated with grounds maintenance are being transferred to Parks. The positions are:

- 1.0 FTE Park Ranger Aide
- 1.0 FTE Park Ranger I
- 1.0 FTE Park Ranger Specialist

A total of 2.0 FTE Custodian positions (vacant) are recommended to be reduced from the General Services PAL in FY 2012-13 as part of the General Fund reduction:

There is no expense for fixed assets in the recommended budget.

Overall, the recommended budget maintains current service levels.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide timely, accurate, and cost effective architectural services to all County Departments with capital improvement and maintenance projects.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of capital projects completed within their allocated funding.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
94%	93%	100%	100%	92%	95%	Deleted
What: This is a measure of the percentage of projects completed within their allocated funded amounts compared to the total number of projects completed within a fiscal year. This ratio gives the success rate of projects completed within budget.						
Why: This measure reflects on the ability of Architectural Services staff to manage projects cost effectively and to provide reliable project "opinions of probable cost" for the County's Capital Improvement Program.						
How are we doing? For fiscal year 2011-12, management is concentrating on reducing project backlog and improving business processes. When projects are completed under the budgetary limits, the residual balance is returned to the original funding source. Original funding source examples include General Fund, Reserves, Public Facility Fees, Quimby Fees and Department Operational budgets. Based on improved business processes we anticipate exceeding our fiscal year 2011-12 target. This measure is deleted in FY 2012-13 in favor of measuring efficiency by targeting the percentage of Capital and Maintenance projects that were completed on or before their originally scheduled completion date (see performance measure # 19).						
Department Goal: To provide great service to Architectural Services customers.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
2. Performance Measure: Percentage of project clients who rate Architectural Services as satisfactory or above in the management of their capital and maintenance projects.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	90%	90%	Deleted

What: Architectural Services distributes two surveys: (1) an annual survey to customers and stakeholders involved in the annual Capital Improvement Project (CIP) request process, and (2) a project specific survey at the completion of every project to the project's stakeholders. Results from both surveys are compiled and reported on annually.

Why: To ensure Architectural Services is communicating effectively with customers and stakeholders (1) during the annual CIP request process (when projects are requested, the scope is identified, cost estimates are made, and projects are prioritized for funding recommendations in the following fiscal year), and (2) during each project's inception to completion (involving scope revisions, budgetary constraints, and scheduling coordination.)

How are we doing? This is a new measure for fiscal year 2011-12. Our target was set at 90% until a baseline could be established and plans developed to enhance customer service based upon survey results. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).

Department Goal: Meet health and safety requirements and provide timely and effective custodial services to all County Departments.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

3. Performance Measure: Percentage of County departments rating custodial services as "good" to "excellent" in annual customer survey.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
95%	96%	92%	95%	85%	90%	Deleted

What: Annual surveys of County Departments provides a measure of customer satisfaction regarding the cleanliness of facilities, staff responsiveness, staff courtesy and the ease of doing business with Custodial Services.

Why: Our success in providing acceptably clean facilities to client Departments is ultimately measured in the responses and opinions of our clients.

How are we doing? Custodial Services set their FY 2011-12 target at 85% based on anticipated changes in service delivery due to reduced staffing. We are projecting 90% of customer satisfaction survey responses will rate our custodial services as "good to excellent" based on new supervisory techniques and staffing models. We will continue to work with our customers to identify their top priorities. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).

4. Performance Measure: Square footage of office space cleaned per custodian.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
29,221 sq. ft./ custodian	28,470 sq. ft./ custodian	31,366 sq. ft./custodian	37,697 sq. ft./custodian	37,697 sq. ft./custodian	37,697 sq. ft./custodian	Deleted

What: This measure shows the average amount of office space each custodian is responsible for keeping clean.

Why: This measure indicates the workload of custodial staff and compares it to industry standards.

How are we doing? The Association of Physical Plant Administrators (APPA) industry standards recommend that one custodian is needed for every 16,400 square feet of office space in order to maintain an acceptable level of cleanliness. Custodial Services estimates cleaning approximately 130% more square feet than the industry standard for fiscal year 2011-12. Even with the increased responsibility per custodian we have been able to exceed our target with a 95% satisfaction rate as reported in Performance Measure #3. This measure is deleted in FY 2012-13 in favor of other measurements that capture cost per square foot for custodial and maintenance, completion percentages of maintenance work and overall customer satisfaction (see Performance Measure # 16).

Department Goal: Meet health and safety requirements and provide timely and effective facility maintenance service to all County departments in a cost effective manner.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

5. Performance Measure: Square footage of facilities maintained per Maintenance Mechanic.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
52,628 sq. ft./person	60,943 sq. ft./person	69,788 sq. ft./person	63,593 sq/ ft./person	58,505 sq/ ft./person	58,505 sq/ ft./person	Deleted
<p>What: This measure shows the average amount of space and related equipment each maintenance mechanic is responsible for maintaining in working order.</p> <p>Why: This measure illustrates the magnitude of tasks and the measure of workload of our maintenance staff and compares it to industry best practices.</p> <p>How are we doing? The International Facility Management Association published best practices call for one maintenance mechanic for every 49,000 square feet of facility space. Maintenance Services estimates maintaining approximately 19% more square feet of County facilities in fiscal year 2011-12. This measure is deleted in FY 2012-13 in favor of other measurements that capture cost per square foot for custodial and maintenance, completion percentages of maintenance work and overall customer satisfaction (see Performance Measure # 17).</p>						
6. Performance Measure: Percentage of total person hours available dedicated to the preventive maintenance program.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
22%	20%	20%	17%	25%	25%	Deleted
<p>What: This measure compares the maintenance person hour resources being dedicated to, and utilized in, the preventive maintenance program.</p> <p>Why: The overall goal is to increase and enhance the preventive maintenance (PM) program to limit unscheduled breakdowns, control costs for major maintenance, and reduce the number of routine work orders requested by departments. Measuring the percentage of hours dedicated to the preventive maintenance program is an indicator of a more or less active PM program.</p> <p>How are we doing? Maintenance industry standards and best practices recommend 40% of maintenance work hours be dedicated to preventive maintenance (PM). As facilities and equipment age, the frequency of urgent and immediate repair needs increase, leaving less staff time for PM activities. Our previous structure and staffing levels allowed for less than the industry standard of work hours devoted to PM. To accomplish the fiscal year 2011-12 target of 25%, we created a PM team focused only on preventative maintenance. This measure is deleted in FY 2012-13 in favor of other measurements that capture cost per square foot for custodial and maintenance, completion percentages of maintenance work and overall customer satisfaction. Preventive maintenance will be specifically measured for effectiveness in terms of the percentage of work orders completed (see Performance Measure # 18).</p>						
7. Performance Measure: Percentage of County Departments rating maintenance services as "good" or "excellent" in annual customer survey.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
96%	100%	100%	100%	95%	100%	Deleted
<p>What: Our annual survey of customer departments measures opinions about the condition of the facilities, the quality of service and the ease of doing business with Maintenance Services. This measure focuses on the overall quality of our building maintenance service.</p> <p>Why: Fully functional facilities support our customers' mission and vision for delivering service to San Luis Obispo County. Periodic surveys measure our effectiveness in meeting their needs and help us improve our service delivery.</p> <p>How are we doing? Maintenance Services estimates achieving a 100% rating of "good to excellent" for fiscal year 2011-12. We are doing better than expected and project we will exceed the target in fiscal year 2011-12 by the formation of the specialized preventive maintenance team. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).</p>						
<p>Department Goal: Professional management of the County's real estate assets and leases in order to maximize return and minimize expense to the County and to meet the space needs of the County Departments.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						

8. Performance Measure: Percentage of leased facilities secured by Real Property Services for less than or equal to the market rate per square foot for similar length leases.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
100%	100%	100%	100%	100%	100%	Deleted
<p>What: Percentage of new or renewed lease facilities secured at less than or equal to the market rate per square foot.</p> <p>Why: To ensure the cost effectiveness of County leases.</p> <p>How are we doing? In prior years, Real Property Services negotiated 100% of new or renewed leases at market rate or below. The current weak economy has impacted commercial real estate and has added to the County's negotiating strength even more. We anticipate achieving 100% in this measure for fiscal year 2011-12. This measure is deleted in FY 2012-13 in favor of overall customer satisfaction surveys and individual 'point-of-service' surveys to assess Real Property transactions in terms of quality and timeliness (see Performance Measure # 15)</p>						
9. Performance Measure: Percentage of County Departments rating Real Property Services as "good" to "excellent" in securing and negotiating with tenants, landlords, permittees, and concessionaires.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
100%	100%	100%	91%	95%	95%	Deleted
<p>What: After each major project, the Real Property Manager sends a survey to the staff with whom Real Property Services interfaced during the project to request ratings of our services, communication, timeliness, and professionalism.</p> <p>Why: To assist departments in achieving full utilization of County real estate assets, maximize revenue to the County, assist departments to make cost-effective moves to leased facilities, and provide a professional level of representation in negotiations between County departments and tenants, landlords, permittees, and concessionaires, buyers and sellers.</p> <p>How are we doing? Prior annual surveys were conducted at year end for the four largest service-receiving departments. Starting fiscal year 2011-12, Real Property Services began conducting point of service customer surveys at the end of each project to collect fresh, immediate feedback from our customers. With these process improvements we expect to achieve our target of 95% in fiscal year 2011-12. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).</p>						
<p>Department Goal: Provide friendly, timely, accurate financial and administrative support services to the Department of General Services and other County Departments.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input checked="" type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
10. Performance Measure: Percentage of interdepartmental survey respondents who rate Administration/Accounting services as "good" or "excellent" in the customer survey.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
71%	97%	89%	98%	90%	90%	Deleted
<p>What: Surveys of customers provide a measure of customer satisfaction regarding staff responsiveness, courtesy, and accuracy of information.</p> <p>Why: Our success in providing helpful service and accurate information is measured in the responses and opinions of our customers.</p> <p>How are we doing? Each Year Administration and Accounting survey General Services Agency and other departmental customers to capture customer feedback. We project that 90% of our customers will rate our services as "good or excellent" in fiscal year 2011-12. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).</p>						

Department Goal: Efficiently provide timely and reliable distribution of U.S. and interoffice mail service to all County departments.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
11. Performance Measure: Percentage of County departments rating their level of satisfaction with the services of Central Mail as satisfactory or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
100%	100%	100%	100%	90%	90%	Deleted
What: Results of a customer satisfaction survey.						
Why: To ensure internal customer's needs are satisfactorily met.						
How are we doing? Central Mail Services achieved a 100% level of satisfaction in the customer survey in fiscal year 2010-11. This result exceeded the target of 90% customer satisfaction. For fiscal year 2011-12 we expect to continue to meet or exceed the target of 90%. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).						
Department Goal: Manage County purchasing services to maximize value for the County dollar.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
12. Performance Measure: Percentage of purchasing transactions subject to a competitive solicitation.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
22%	21%	22%	26%	20%	25%	50%
What: A measure of the percentage of purchasing transactions that include a local competitive solicitation, a governmental cooperative purchasing agreement or Board of Supervisors review prior to contracting.						
Why: To encourage market competition among suppliers of goods and services and get the best value for County expenditures.						
How are we doing? Beginning in FY 2012-13 this measure is being expanded to include the percentage those purchase orders subject to Board of Supervisors approval and those resulting from the use of governmental cooperative purchasing agreements along with the percentage of purchase orders resulting from quotations, bids and request for proposals. The additions to the measure better captures the competitive processes which contribute to cost effective purchasing practices for all County departments. The resulting percentage target is 50% rather than 20%. For fiscal year 2011-12, Purchasing expects to continue to exceed the target of 20%. For FY 2012-13 we have set the target at 50%. General Services processes approximately 1,800 purchase order transactions annually through our financial system (SAP).. An example of the effectiveness of the County's competitive solicitation process is shown in a recent County vehicle purchase. During the July 1, 2011 to October 31, 2011 time frame, Purchasing created and completed 16 bids for vehicles of different specifications for County customers. As a result of those bids, the County saved a total of \$119,204 on the purchase of 31 vehicles.						
13. Performance Measure: Percentage of County Departments rating their level of satisfaction with the services of Purchasing Services as satisfactory or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
94%	96%	98.6%	95%	95%	95%	Deleted
What: Results of a satisfaction survey.						
Why: To ensure that purchasing services offered are responsive and satisfactory in meeting the needs of County Departments.						
How are we doing? In fiscal year 2010-11, the Purchasing Handbook for Departments and updated policies and procedures were published on the Purchasing Intranet site. Due to this tool and our continued emphasis on excellent customer service, Purchasing expects to achieve 95% again for fiscal year 2011-12. This measure is deleted in FY 2012-13 in favor of a more comprehensive Customer Satisfaction survey for all of General Services functions (see Performance Measure # 14).						

Department Goal: Provide timely, reliable and cost-effective services that meet or exceed customer expectations.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
14. Performance Measure: Percentage of Customers rating their experience with General Services as “satisfactory” or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	90%
<p>What: The aggregate percentage of those responding to an annual survey that rate General Services (Accounting, Administration, Purchasing, Mail, Architectural Services, Maintenance and Custodial services) in terms of both efficiency and quality (timeliness, accuracy, courtesy and satisfaction) as “Satisfactory” or better.</p> <p>Why: General Services is dedicated to delivering accurate, reliable, and timely services that are valued by our customers.</p> <p>How are we doing? This is a new metric for FY 2012-13, consolidating several individual customer satisfaction survey tools. Customers will receive a single survey that addresses all of the services provided within General Services. Each service manager will receive their specific survey responses to better understand their customer needs. We will be reporting an aggregate percentage for all of General Services. We are making this change to better capture and understand the overall satisfaction levels of the General Services organization while reducing the numerous and somewhat repetitive survey tools. For FY 2012-13 we have set the target at 90%.</p>						
Department Goal: Manage the County’s real estate assets and leases to support the operational needs of County Departments						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
15. Performance Measure: Percentage of customers rating the process and results as satisfactory or better. The process includes defining the space related business needs and meeting those needs with appropriate space and location.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	90%
<p>What: The percentage of customers responding to ‘point-of-service’ survey or interview, conducted at the completion of each transaction or project that rate Real Property Services transactions in terms of quality and timeliness as Satisfactory or better. This includes the lease and permitting processes.</p> <p>Why: To encourage timely processing of requests and high quality transactions by measuring customers responses.</p> <p>How are we doing? This is a new metric for FY 2012-13. Our expectation is that customer feedback will assist in improving and maintaining responsiveness. For FY 2012-13 we have set the target at 90%.</p>						
Department Goal: Provide cost-effective, reliable and safe facilities and property for County use.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
16. Performance Measure: Percentage change (as well as actual dollar change) of the Average Per- square-foot Maintenance and Custodial costs, as compared to the previous year.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	0% / \$0
<p>What: A comparison of the percentage change and actual dollar change in the per-square-foot costs of County owned facilities as compared to the previous year.</p> <p>Why: This is a measure of effective management of County facilities. Facility costs per-square-foot are developed annually as part of General Services Fees. This will create the basis for year-over-year comparisons. The goal is to keep the cost of ownership of County facilities flat or decreasing while ensuring optimal performance in terms of function and reliability.</p> <p>How are we doing? This is a new metric for FY 2012-13. Our expectation is that per-square-foot facility costs will illustrate how well our best management practices are working to contain costs and ensure facility reliability. Our goal is to apply continuous downward pressure on facility costs wherever possible. Our annual base line costs per-square-foot range from \$2.28 - \$7.20 based upon facility use and type. We have set our target to reflect no increase or decrease for the first baseline year.</p>						

17. Performance Measure: The percentage of Corrective Maintenance (CM) work orders completed by Maintenance staff.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	90%
<p>What: The percentage of Corrective Maintenance work orders opened and completed within the expected time frame (each week) aggregated for the fiscal year. The average number of annual work orders for Corrective Maintenance (CM) is approximately 4,450.</p> <p>Why: Completion of Corrective Maintenance work orders is highly visible to our customers and contributes to excellent customer service.</p> <p>How are we doing? This is a new metric for FY 2012-13. It replaces the former metric that measured the square footage maintained by Maintenance staff. This metric focuses on the timely completion of Corrective Maintenance (or 'break-fix') work orders. The completion of this type of work order drives the functionality of our facilities and is captured in our financial system (SAP). Improvement in the timely completion of work orders contributes to a smoother operating facility which better serves our customers and the public. For FY 2012-13 we have set the target at 90%.</p>						
18. Performance Measure: Percentage of Preventive Maintenance (PM) work orders completed within their designated schedule.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	20%
<p>What: The percentage of Preventive Maintenance (PM) work orders issued and completed by Maintenance staff within the scheduled time frame.</p> <p>Why: To monitor and improve the completion percentage for Preventive Maintenance work orders. Timely completion of preventive maintenance activities contributes to functional facilities and fewer corrective maintenance or 'break-fix' calls. It leads to the most effective deployment of staff and optimizes the usefulness of the facilities to support our customers and the public. The number of annual Preventive Maintenance work orders is approximately 3,000.</p> <p>How are we doing? This is a new metric for FY 2012-13. It replaces the former metric that focused on the percentage of staff hours devoted to Preventive Maintenance. This measure captures the productivity of the Preventive Maintenance team and is a more accurate measure of work accomplished. Scheduled and actual time frames for completion of projects are captured in our automated work order system (SAP). For FY 2012-13 we have set the target at 20%, in alignment with former targets. Our expectation is that over time this percentage will increase.</p>						
19. Performance Measure: Percentage of Capital and Maintenance projects that were completed within expected time estimates.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	90%
<p>What: The percentage of Capital and Maintenance projects that were completed within expected time estimates and according to Project Customer expectations.</p> <p>Why: Timely completion of capital and maintenance projects is one indicator of efficiency and contributes to functional facilities for our customer departments.</p> <p>How are we doing? This is a new metric for FY 2012-13. In project management there are three elements of success; budget, time and quality. This measures the critical element of timeliness and encourages staff to work to the project schedule as well as budget. Project schedules and completion time frames are captured in our project disposition reports and are used to determine whether projects are completed within the expected time frames. For FY 2012-13 we have set the target at 90% fully understanding we have little historical data upon which to base our future target.</p>						

Fleet Services
Fiscal Year 2012-13 Proposed Budget

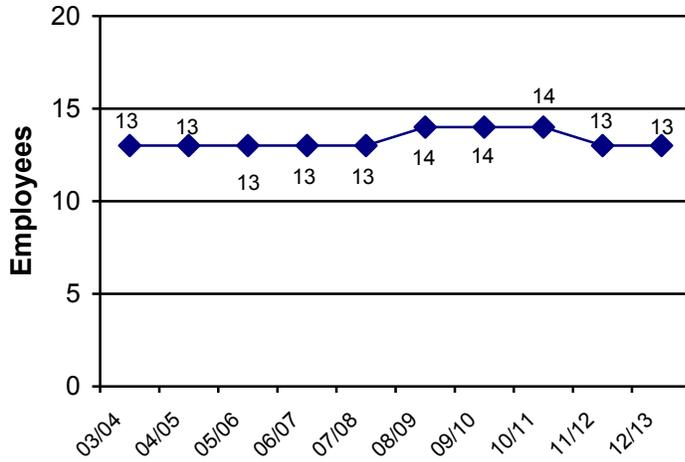
Fund Center 407

MISSION STATEMENT

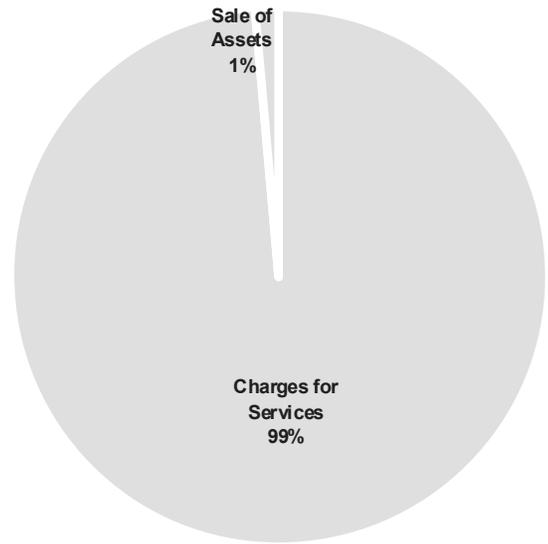
The San Luis Obispo County General Services Agency - Fleet Services provides reliable and cost effective transportation solutions through innovation and the application of industry best practices.

OPERATING DETAIL	2010-11	2011-12	2012-13 PROPOSED	2012-13 RECOMMENDED
(1)	ACTUAL	ESTIMATED	ESTIMATES	ESTIMATES
(1)	(2)	(3)	(4)	(5)
OPERATING REVENUES				
Charges for current services	3,909,790	4,167,270	4,396,704	4,396,704
Depreciation Billings	<u>924,334</u>	<u>927,967</u>	<u>1,007,794</u>	<u>1,007,794</u>
TOTAL OPERATING REVENUES	4,834,124	5,095,237	5,404,498	5,404,498
OPERATING EXPENSES				
Salaries and Benefits	1,198,230	1,203,045	1,209,099	1,209,099
Services and Supplies	2,381,915	2,428,411	2,868,813	2,868,813
Depreciation	1,207,228	1,138,724	962,324	962,324
Countywide Overhead Allocation	<u>126,873</u>	<u>128,620</u>	<u>68,348</u>	<u>68,348</u>
TOTAL OPERATING EXPENSES	4,914,246	4,898,800	5,108,584	5,108,584
OPERATING INCOME (LOSS)	(80,122)	196,437	295,914	295,914
NON-OPERATING REVENUES (EXPENSES)				
Interest	12,739	15,569	15,569	15,569
Accident Restitution	0	0	0	0
Gain on Sale of Assets	0	0	0	0
Other	0	0	0	0
Prior Yr Adj	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	12,739	15,569	15,569	15,569
INCOME REF. CAPITAL CONTRIBS. & TRANSFERS	(67,383)	212,006	311,483	311,483
Transfers in (out)	<u>(35,560)</u>	<u>(35,560)</u>	<u>(41,576)</u>	<u>(41,576)</u>
CHANGE IN NET ASSETS	(102,943)	176,446	269,907	269,907
Net assets - beginning	6,675,302	6,572,359	6,748,805	6,748,805
Net assets - ending	6,572,359	6,748,805	7,018,712	7,018,712
FIXED ASSET EXPENDITURES				
Equipment	1,996,753	1,222,358	1,353,800	1,353,800
Structures Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FIXED ASSET EXPENDITURES	<u>1,996,753</u>	<u>1,222,358</u>	<u>1,353,800</u>	<u>1,353,800</u>

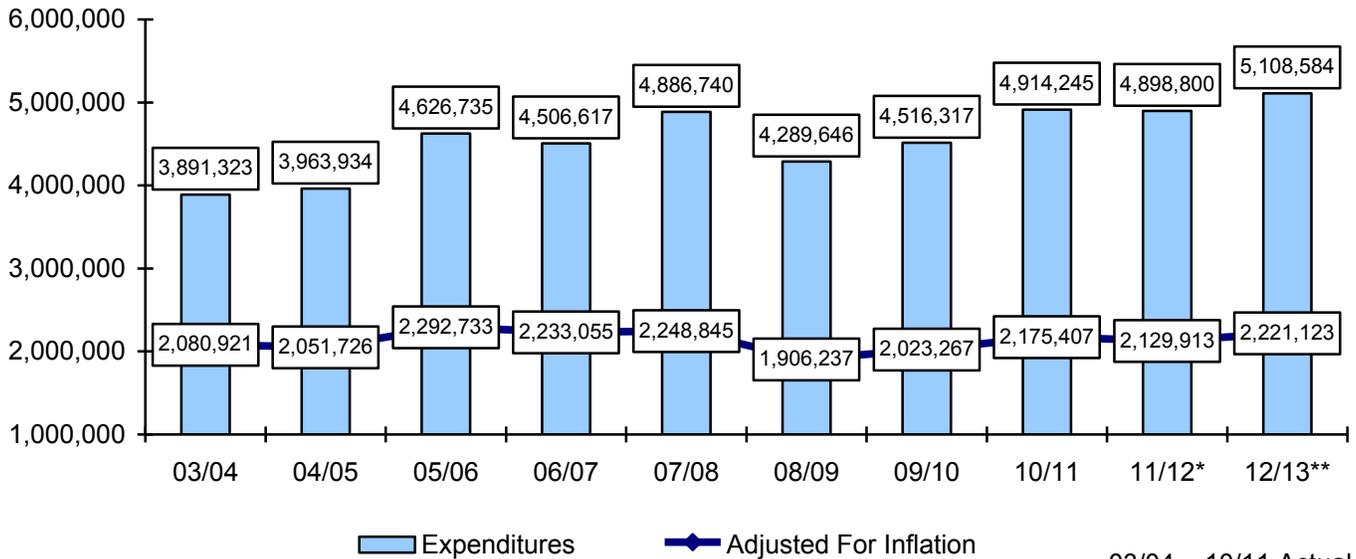
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



03/04 – 10/11 Actual
*Estimated
**Recommended

SERVICE PROGRAMS

Fleet Services has a total operating expenditure level of \$5,108,584 and a total staffing level of 13.00 FTE to provide the following services.

Fleet Services Operations

Operate the County Fleet Services and the centralized motor pool with a fleet of cars, trucks, law enforcement vehicles, and equipment (mowers/tractors/trailers) for use by various County departments in the most cost effective manner.

Total Expenditures: of \$5,108,584 Total Staffing 13.00 FTE:

DEPARTMENT COMMENTS

Fleet Services is responsible for providing consistent economical and efficient transportation solutions for all Departments of the County of San Luis Obispo. We provide full life cycle fleet solutions designed to meet the specific needs for each Departments unique operational requirements. The Fleet maintenance team is tasked to acquire, maintain and repair a wide variety of vehicles and equipment in a timely, efficient and cost effective manner. We perform all maintenance and repairs for the County owned fleet and provide emergency repair services 24 hours per day, 7 days per week. We also manage an on-site fuel station and fuel card system which interfaces with our Fleet Management software.

The following are some of the notable accomplishments for FY 2011-12 and some specific objectives for FY 2012-13.

FY 11-12 Accomplishments

- Completed the acquisition of a new pursuit-rated vehicle for the Sheriff's patrol vehicles. The Chevy Caprice Police Pursuit Vehicle replaced the discontinued Ford Crown Victoria
- Completed a customer survey and achieved a 98% Customer satisfaction rating
- Purchased all authorized replacement and additional vehicles including 4 vehicles in support of AB 109 – Public Safety Realignment of 2011
- Completed all mandated Air Pollution Control Board upgrades to the fuel station
- Completed facility repairs to the North County facility – improving safety and increasing the functionality of the two work bays

FY 12-13 Objectives

- Finalize and implement fuel and emission reduction policy
- Assess and reorganize storage of oversized spare parts – making more effective use of space for both shop locations
- Complete shop fixed assets inventory and replacement schedule
- Implement monthly financial/operational reports 'dashboards' for management

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Fleet Services, a division of the General Services Agency, is an Internal Service Fund (ISF), and as such, charges user departments for services. The State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. This narrative, service programs, and the 10 year expenditure chart are based on the data from the Schedule 10, including the amount allocated for depreciation. It is important to note that the comparison of estimated amounts in the Schedule 10 differs from the comparison of amounts in General Fund budgets. General Fund budgets compare the adopted budget amount to the recommended budget amount. The Schedule 10 for internal service

funds compares the estimated actual amount for FY 2011-12 to the proposed amount of new allocated expense and revenues, to be budgeted for FY 2012-13.

Fleet Services has two budgetary components. The first is the operational budget, which includes revenues and expenditures related to the maintenance, modification, repair and fueling of vehicles as well as the administrative and management oversight of these operations. The second component is capital expenditures which include the replacement of existing vehicles, the acquisition of new vehicles and the expense for administration and management of the vehicle procurement process. Over the past several years, revenues to support operations fell short of covering the actual operational cost. Fleet borrowed approximately \$500,000 in capital funds to cover the shortfall. During this time, Fleet instituted a phased increase in service charges to cover operational costs. The phase in increased costs is completed in FY 2012-13. Fleet has already begun repayment of the internal borrowing from the Fleet capital funds and anticipates full repayment in FY 2012-13.

The FY 2012-13 Fleet Services budget has a total recommended operating expense of \$5,108,584, an increase of \$209,784 or 4% as compared to the estimated operating expense for FY 2011-12. Charges for depreciation comprise \$962,324 of the operational expense. The depreciation expense is a non cash expense that identifies the decline in value of capital assets.

The recommended FY 2012-13 salary and benefit costs identify an increase of \$6,054 or 1% as compared to the estimated amount for FY 2011-12. There are no changes to the Fleet Position Allocation List for FY 2012-13. Service and supply expense is also recommended for an increase of \$440,402, or 18% as compared to the FY 2011-12 estimated amount. The main driver in the increase in service and supply accounts is the cost of fuel for vehicles. Fuel costs are increasing and the budgeted fuel costs are approximately \$498,000, or 39%, greater than the amount budgeted for FY 2011-12.

The total recommended operating revenue in the FY 2012-13 budget is \$5,404,498, an increase of \$309,261 or 6% as compared the FY 2011-12 estimated amount. The bulk of the increase in operating revenue is associated with increased charges for fuel.

The recommended budget includes \$1,251,900 in capital expenditures for vehicle replacements in FY 2012-13. The recommended amount is \$80,265 or 6% less than that budgeted for FY 2011-12. The FY 2012-13 budget funds the replacement of 44 Fleet vehicles and the purchase of 8 user owned replacement vehicles for the Department of Social Services. Social Services has budgeted funds to transfer to Fleet for acquisition of these vehicles. User owned vehicles are not depreciated nor are they considered Fleet fixed assets. This is a decrease of 9 replacement vehicles from the prior year. Fleet is also budgeting \$101,900 for fixed assets related to garage equipment necessary for the maintenance of vehicles. The fixed asset equipment includes a tire spreader, two tire changers, a diagnostic scan tool, steam cleaner, welder, brake lathe, and smog machine.

The recommended budget funds the replacement of vehicles which meet replacement criteria, including exceeding 100,000 miles and five years of service. The primary exception is related to replacement of Sheriff Patrol vehicles which are replaced at 100,000 miles and three years of service. The Fleet Fund has sufficient capital and operating funding for the foreseeable future. The recommended budget maintains current service levels associated with the maintenance and replacement of the county's vehicle fleet.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide timely, reliable and cost-effective fleet services to County Departments and public safety agencies that meet or exceed customer expectations.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

1. Performance Measure: Percentage of vehicles brought in for either preventive or non-preventative maintenance completed within 24 hours of delivery of vehicle, if parts are available.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
84%	83%	84%	76%	85%	85%	80%

What: County Fleet Services' policy is to perform preventive maintenance on each vehicle every 4 months or 4,000 miles. For Public Safety vehicles, the intervals are every two months or 5,000 miles. Fleet Service's goal is to perform service requests within 24 hours of receiving the vehicle.

Why: To minimize costly repairs and enhance productivity for vehicle drivers and to insure departments have sufficient vehicles to perform their duties.

How are we doing? Fleet Services obtained a 76% rating regarding the service completed within 24 hours in FY 2010-11. This was a direct result of Fleet Services increased business since assuming all of the Public Works maintenance and repair work. We also performed an exceptionally high number of vehicle acquisitions last year. The acquisition workload will decrease next year, however the demand from Public Works will remain high. This change in our business trend may result in not reaching our FY 2011-12 target.

2. Performance Measure: Percentage of survey respondents who rated quality of vehicle maintenance as satisfactory or better.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
99%	100%	100%	99%	98%	98%	98%

What: Continuous surveys (point-of-service) of vehicle users measure how effective Fleet Services' staff is at maintaining vehicles to their customers' satisfaction.

Why: To insure satisfied customers and meet their vehicle needs.

How are we doing? Fleet Services achieved a 99% customer satisfaction rating during FY 2010-11. Fleet Services has an ongoing customer satisfaction survey program throughout the year. Surveys are placed in each vehicle that comes into Fleet Services for service or repair. We received 136 survey responses addressing the categories of timeliness, quality and completeness of each repair. These point-of-service responses provide real time feedback on the satisfaction of our customers. In FY 2012-13, we will begin surveying our heavy equipment customers so that we may make meaningful improvements in this aspect of our business.

3. Performance Measure: Cost per brake service compared to a private vendor.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
\$619.39 Fleet Svcs/ \$1,048.81 Private vendor	\$644.13 Fleet Svcs/\$1,170.78 Private vendor	\$674.17 Fleet Svcs/ \$974.60 Private vendor	\$606.90 Fleet Svcs/\$941.53 Private vendor	\$707.88 Fleet Svcs/\$931.12 Private vendor	\$707.88 Fleet Svcs/\$931.12 Private vendor	\$631.18 Fleet Svcs/\$979.19 Private vendor

What: This measure shows the labor and parts costs incurred by Fleet Services to carry out a routine front and rear brake replacement on a Sheriff's patrol vehicle compared to the quoted cost from local private vendors. This includes parts and labor cost for like model vehicles.

Why: This measure helps to demonstrate Fleet Services' cost competitiveness.

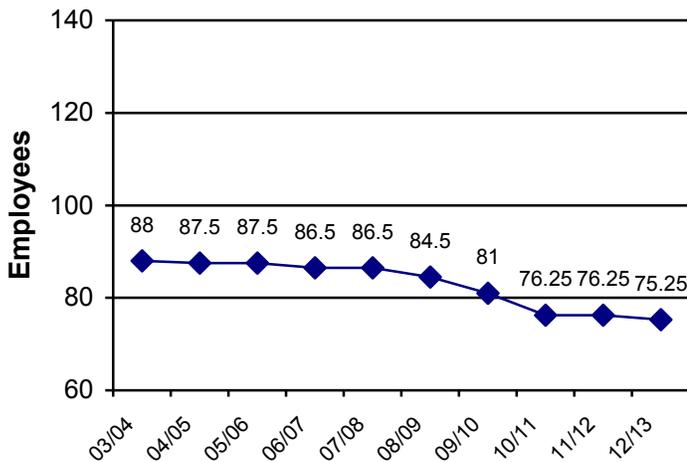
How are we doing? A survey of local private vendors and an internal study was conducted in July of 2011. This study revealed our actual cost to be \$606.90 which is 14% below our FY 2010-11 adopted cost of \$707.88. The study also revealed our estimated pricing for outside vendors to be very close. The average outside vendor price was \$941.53, compared to an adopted cost of \$931.12. The study reveals that Fleet Services is 55% less expensive than the average outside vendor.

MISSION STATEMENT

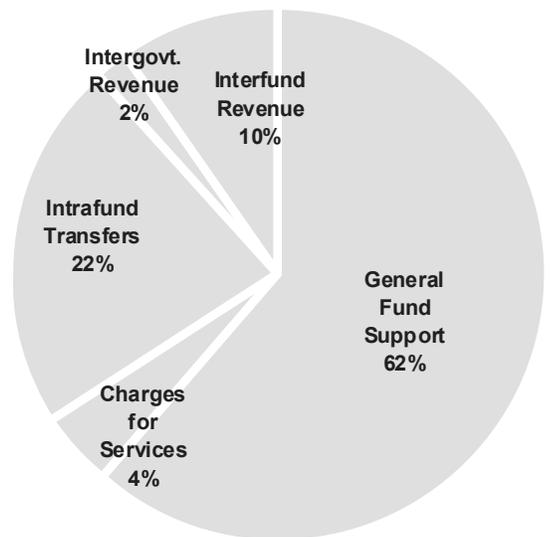
To provide cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community.

<u>Financial Summary</u>	<u>2011-12 Budget</u>	<u>2011-12 Projected</u>	<u>2012-13 Requested</u>	<u>2012-13 Recommended</u>	<u>Change From 2011-12</u>
Revenue from Use of Money & Property	\$ 0	\$ 1,600	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	252,605	252,605	262,000	262,000	9,395
Charges for Current Services	889,916	896,396	580,861	580,861	(309,055)
Other Revenues	0	210	0	0	0
Interfund	986,427	1,266,305	1,166,707	1,281,320	294,893
**Total Revenue	\$ 2,128,948	\$ 2,417,116	\$ 2,009,568	\$ 2,124,181	\$ (4,767)
Salary and Benefits	9,841,920	9,690,709	9,890,136	9,890,136	48,216
Services and Supplies	3,248,122	3,303,125	3,254,121	3,190,221	(57,901)
Fixed Assets	82,160	185,154	0	0	(82,160)
**Gross Expenditures	\$ 13,172,202	\$ 13,178,988	\$ 13,144,257	\$ 13,080,357	\$ (91,845)
Less Intrafund Transfers	2,748,061	2,658,416	2,939,899	2,939,899	191,838
**Net Expenditures	\$ 10,424,141	\$ 10,520,572	\$ 10,204,358	\$ 10,140,458	\$ (283,683)
General Fund Support (G.F.S.)	<u>\$ 8,295,193</u>	<u>\$ 8,103,456</u>	<u>\$ 8,194,790</u>	<u>\$ 8,016,277</u>	<u>\$ (278,916)</u>

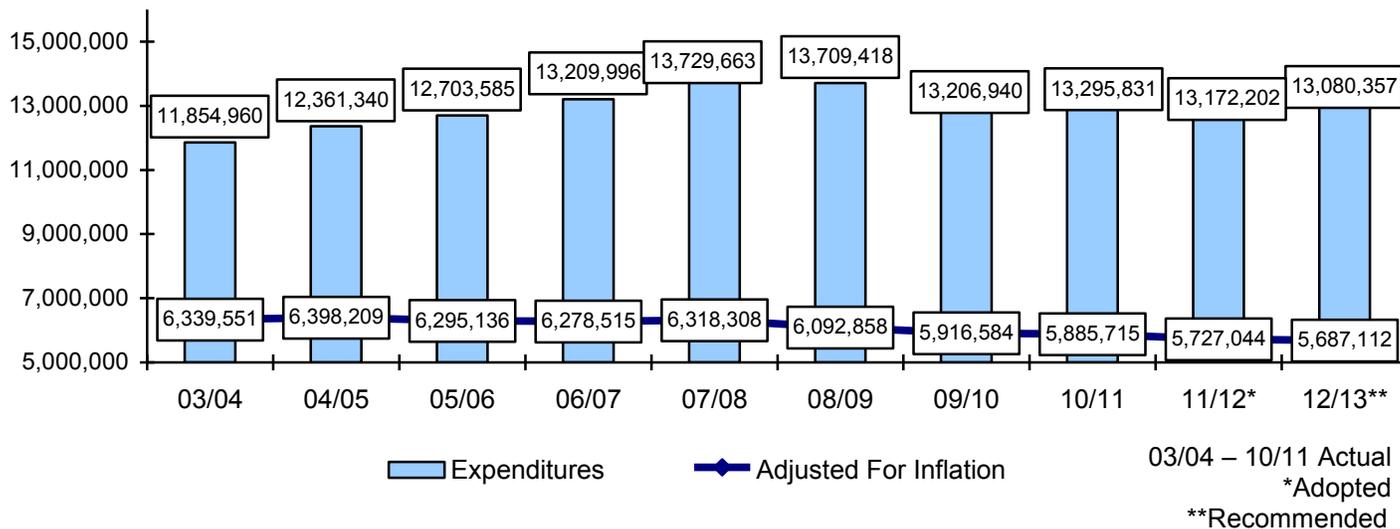
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Information Technology has a total expenditure level of \$13,080,357 and a total staffing level of 75.25 FTE to provide the following services.

Departmental Services

Provide clear points of contact for customers to acquire GSA-IT services by having each department assigned a Customer Advocate; provide technical support for customers; house servers and data in the controlled computer room including backup/recovery and Disaster Recovery Planning (DRP); provide business analysis, technology planning, and project management; provide guidance and best practices, procedures and documentation standards; assist with project risk assessment by reviewing project scope, business requirements stability and resource capacity; provide printing services; provide desktop support services, certain end-user training activities, and provide Countywide systems and applications support.

Total Expenditures: \$4,981,367 Total Staffing (FTE): 30.89

Enterprise Services

Provide a physically secure and environmentally controlled computing facility; dispatch, schedule and run mainframe jobs, provide all mainframe operation and support; provide Microsoft application environment; develop Windows applications running on Intel platforms; provide administration and software services for the County's Enterprise Financial Services; provide database storage and administration Disaster Recovery Planning (DRP), provide system security; technical support and associated systems administration.

Total Expenditures: \$4,071,852 Total Staffing (FTE): 24.25

Networked Services

Provide email, scheduling, calendar, associated systems administration and technical support, internet server management, internet access, County Intranet access, VPN access, Microsoft ADS, anti-virus security, technical support, associated systems administration and Countywide Infrastructure, Network Operating System client support and data communications, including high speed data circuits.

Total Expenditures: \$1,580,363 Total Staffing (FTE): 9.80

Support to County Departments

Radio Communications

Provide two-way radio communications for public safety and County business communications. The communication system uses microwave technology and includes medical communications between the Sheriff's Office, hospitals, and ambulance service necessary to deploy County services to the public.

Total Expenditures: \$1,425,552 Total Staffing (FTE): 8.84

Voice Communications

Coordinate County's contract with AT&T (adds, changes, deletes); coordinate all voice communications, equipment installation with AT&T, manage County's voice communication billings, publish a County telephone directory, and administer County's voice mail system (adds, changes, deletes).

Total Expenditures: \$ 1,021,223 Total Staffing (FTE): 1.47

DEPARTMENT COMMENTS

The General Services Agency - Information Technology (GSA-IT) mission is to provide cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community. The County's Information Technology Executive Steering Committee (IT-ESC) provides information technology governance countywide and drives a majority of the projects supported by GSA-IT. The countywide Information Technology Strategic Plan (ITSP) reflects current fiscal constraints, business practices, technology directions, the needs of the County and lays the groundwork for the systems that GSA-IT will be supporting. The GSA-IT completed a new Operational Plan that both supports the 2009 ITSP and identifies key initiatives that the organization will be working on throughout FY 2012-13.

Following are some of the Department's notable accomplishments for FY 2011-12 and some specific objectives for FY 2012-13:

FY 2011-12 Accomplishments

- Replaced public safety radio communications equipment with up-to-date systems for Cal Fire, interagency coordination, and general government users
- Upgraded Countywide safety communications systems to comply with recent FCC legal mandates
- Implemented integrated document management (electronic document storage) in 15 departments reducing the need and space required to store paper copies of documents and improving the speed with which documents can be retrieved
- Completed upgrades to critical County systems such as email and voicemail thereby maintaining essential systems for communicating with the public
- Implemented a cost-saving electronic payments solution for the public to use credit and debit cards to make payments for fees and services

FY 2012-13 Objectives

- Complete, on-time and within budget, all IT-ESC directed projects
- Coordinate a common Countywide Geographic Information System
- Remodel the County data center with energy efficient air handling equipment
- Enhance the Criminal Justice Information System portal that provides local law enforcement agencies with critical data such as warrant and court docket information
- Support the implementation of a new District Attorney case management system that will improve efficiencies with the DA's offices and further reduce the reliance on the County's mainframe

- Implemented an electronic Board of Supervisors agenda management solution

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Total expenditures for the Information Technology Budget are recommended to decrease by \$283,683 or 2% less than the FY 2011-12 adopted expenditure amount. Revenues are recommended to decrease by \$4,767 or less than 1%. The level of General Fund support for this budget is recommended to decrease by \$278,916 or 3% compared to the FY 2011-12 adopted level.

Revenue accounts show increases and decreases in several revenue sources which collectively result in the \$4,767 decrease in recommended revenues. The most significant decline in revenue is a \$288,711 decrease in revenue from the Court. This decrease is due to two factors. The first factor is a reduction to the Court for mainframe charges. The second factor involves Court reductions in the General Consulting services provided by IT. Combined, these two Court sponsored changes results in 35% decrease in Court revenues. Notable increases in revenues which offset the decline in revenue from the Courts include a \$103,342, or 24%, increase in revenue from charges to non-General Fund County departments for Enterprise Services. Additionally, there is \$198,747 increase in revenue associated with the Countywide Automation Replacement (Fund Center 266) revenue being budgeted to support the Property Tax System Modernization project.

The \$283,683 decrease in overall expenditures is due to a \$57,901 decrease in services and supplies, an \$82,160 decrease in fixed asset expenditures and a \$191,838 increase in intrafund offsets to expense. Salary and benefit costs are increasing by \$48,216.

The recommended budget includes the elimination of one (1.0) FTE Computer Operation Supervisor Confidential, a \$114,613 reduction in salary and benefit expense. However, step increases and a \$23,403 increase in the cost of the GIS Coordinator position result in an overall \$48,216 increase in salary and benefits. Increases and decreases in the services and supplies accounts result in an overall \$57,901 decrease in this category of expense. As Information Technology did not request any fixed assets and none are recommended, there is an \$82,160 decrease in this expense category. Intrafund offsets are increased by \$191,838, a 6% increase over FY 2011-12 levels. The increase in offsets reflects the last of multi-year phase in of the shift costs from mainframe applications to networked Win-Tel applications. Although this shifts more costs to County departments it more closely matches cost recovery with the actual costs of information technology systems.

The recommended amount of General Fund support in FY 2012-13 is \$8,016,277, a \$278,916, or a 3% decrease from the FY 2011-12 adopted budget. A combination of reductions and increased revenue associated with the Property Tax Modernization project is used to achieve 3% reduction in General Fund. Recommended reductions include:

- \$114,613 - This reduction is the amount of salary and benefit savings associated with the elimination of a vacant 1.0 FTE Computer Operations Supervisor. Eliminating this position will have a minimal impact as this supervisory position works with mainframe applications which are decreasing as applications move from the mainframe to other platforms. This position became vacant in July 2011 and the Supervisory duties were transferred to an existing filled IT supervisor position.
- \$81,750 – This amount is associated with a host of reductions in the reduced expenses in the services and supplies category. There are 16 separate reductions ranging from \$200 to \$10,000. The reductions are related to maintenance, small equipment, software, office supplies and PC replacements. The reductions slightly reduce the department's flexibility to address emerging needs, but the reductions are not considered to result in a notable decline in service or capability.

The recommended FY 2012-13 budget for Information Technology maintains current service levels.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide timely, reliable and cost-effective services that meet or exceed customer expectations.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of time the County's radio communication system is available. This is an industry standard (the six nines rule) for public safety.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
100%	100 %	100%	100%	99.9999%	99.9999%	99.9999%
What: Maintain the availability of the Countywide microwave radio communication system to an outage level of no more than 32 seconds per year (the public safety interconnect industry standard is 99.9999% availability).						
Why: The microwave radio communication system provides radio coverage of more than 2,900 square miles in San Luis Obispo County for countywide public, safety and emergency service agencies. Radio communications within the County support the Sheriff/Coroner, County Fire, medical/ambulance response, and many other emergency and general government activities. The radio system also provides reliable communications with other local jurisdictions such as cities within the county and our neighboring counties. Lastly, the system allows for coordinated communications response with State and Federal agencies. Full availability and reliability contributes to a safe community.						
How are we doing? Information Technology continues to exceed its goals and the industry standard for communication system availability. Activities are underway to convert all 15 County-owned and licensed radio frequencies to narrowband operation in order to meet the FCC-imposed deadline of December 31, 2012. All public safety communications equipment was converted to narrowband operation during the 2011-12 fiscal year.						
Department Goal: Provide timely, reliable and cost-effective services and infrastructure that meet or exceed customer expectations						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
2. Performance Measure: Percentage of time the County's voice mail communication system is available.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
99.8%	99.8%	99.9%	99.9%	99.9%	99.9%	99.9%
What: The availability of the voice mail (voice mail boxes) system for internal or external access.						
Why: Voice mail is an integral management tool for County voice communications.						
How are we doing? The County's voicemail system consists of over 2,850 voicemail boxes and was available 99.9% of the time during FY 2010-11. The system was upgraded in November 2011. The upgrade ensured continued availability of this critical business tool.						
Department Goal: Provide timely, reliable and cost-effective services and infrastructure that meet or exceed customer expectations						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
3. Performance Measure: Percentage of GSA-IT managed project milestones completed within expected baseline budget and time estimates.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
96%	67%	95%	86%	95%	90%	95%
What: The blended percentages of GSA-IT managed project milestones completed and budget amounts met according to Project Sponsor/Customer expectations and approved change requests.						

Why: Increased focus on project management will result in improved communication, strategic focus aligned with County goals, better resource planning, and more effective and efficient expenditure of technology dollars.

How are we doing? Information Technology Project Management Office (PMO) managed 12 projects and met 86% of the 122 budget and timeline milestones tracked in FY 2010-11. In early FY 2011-12, many projects experienced time and budget impacts due to conflicting priorities for departmental staff and steep learning curves for new technologies. Examples of conflicts were the simultaneous go-live of the electronic agenda management system, upgrades to the voice mail and email systems, and continued implementation of the County's integrated document management (electronic document management) system.

4. Performance Measure: Percentage of time the GSA-IT managed Local-Area-Network (LANs) and Wide-Area-Network (WAN) are available.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
99%	99%	99%	99%	99%	99%	99%

What: The percentage of availability is calculated by comparing the monitored "up time" against scheduled "up time".

Why: Availability of County computing resources translates directly into County staff productivity and ultimately into their service delivery to the public.

How are we doing? The County's data communications network of 87 LAN and 26 WAN sites was available 99% of the time during FY 2010-11 and is expected to meet or exceed that level for FY 2011-12. Significant expansion of the County's wireless network is providing additional service to members of the public who visit County buildings and mobile County employees. Given the increased reliance on remote access to County systems, the availability calculation will also include the availability of County Internet access and VPN (remote access systems) beginning in FY 2012-13.

Department Goal: Protect the County's computing assets through continued implementation of Information Security best practices.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

5. Performance Measure: Percentage of County staff that have received security training or reviewed an annual information security awareness reminder.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
100% of new hire staff, 100% of existing County staff	100% of new hire staff, 0% of existing County staff	100% of new hire staff, 60% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff

What: Staff will become aware of proper security measures and apply them to their everyday work habits. It is expected the media delivery mechanism will change from year-to-year to maintain interest, e.g., general training, an Awareness Handbook, Intranet-based information, short Web-video viewable from the desktop, etc.

Why: Industry analysis has proven that over 70% of all security breaches are internal to an organization. Education and prevention have been identified as the two most cost efficient keys to ensuring systems security. San Luis Obispo County, in a collaborative effort with other California counties, used the International Organization for Standards (ISO) guidelines to create and adopt eighteen security policies. The Security Awareness Program is an essential requirement that is included in those policies. Therefore we measure the success of that Security Awareness Program each year. In this way, we meet industry standards.

How are we doing? Information Technology achieved its goal of providing security training to all 2,400 County staff in FY 2010-11. Changes were made to existing policies in FY 2011-12 to keep up with newer technologies such as tablet devices (i.e. iPads) and the continued use and expansion of social media tools.

Department Goal: To deliver excellent service to every customer..

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

6. Performance Measure: Percentage of responses to Customer Satisfaction Survey rating overall effectiveness as "satisfactory" or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
98.6%	98.2%	97.4%	97.9%	97%	97%	97%
<p>What: The percentage of those responding to an annual survey that rate Information Technology in terms of both efficiency and quality (timeliness, accuracy, courtesy and satisfaction) as "Satisfactory" or better.</p> <p>Why: GSA-IT is dedicated to delivering accurate, reliable, and timely Information Technology solutions that are valued by our customers.</p> <p>How are we doing? Information Technology exceeded its customer satisfaction target in FY 2010-11. To obtain customer satisfaction input, GSA-IT sent surveys to 1,741 County employees. Over 97% of the 378 respondents rated GSA-IT's services as satisfactory or better. Continued focus on delivering excellence to our customers while simultaneously executing the goals and actions outlined in the FY 2010-11 GSA-IT Operational Plan kept customer satisfaction ratings high. The GSA-IT Operational Plan includes five strategic goals: (1) Continuously improve service to our customers; (2) Become the partner of choice for County technology services and solutions; (3) Spend and invest wisely; (4) Continuously build upon our professional, team-oriented environment; and (5) Strive for leadership by matching the right technology with the business need. By pursuing these strategies, the GSA-IT team expects to continue to improve its overall service to its customers, thereby meeting or exceeding its target for FY 2011-12.</p>						
<p>Department Goal: Provide cost-effective, accurate, and reliable computing environment and assets for general County, departmental specific, and outside agency use.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
7. Performance Measure: Percentage of technical issues reported to and resolved by the GSA-IT Service Desk Call Center. Calls that cannot be resolved by the Service Desk Call Center are dispatched and resolved by other GSA-IT or County department teams.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
65%	70%	70%	74%	70%	70%	70%
<p>What: A measure of the value add that the GSA-IT Service Desk Call Center contributes to IT and the County's overall productivity.</p> <p>Why: The goal is to resolve more technical issues within the GSA-IT Service Desk Call Center, allowing other IT and County teams to focus on other activities. This translates into increased department efficiency and greater delivery of technology value to customers.</p> <p>How are we doing? Information Technology's Service Desk team resolved 74% of the 9,123 technical issue calls received in FY 2010-11. In early FY 2011-12, the Service Desk team began adopting the Information Technology Infrastructure Library (ITIL). ITIL a set of best practices for IT service management that focuses on aligning IT services with the needs of customer business needs. In 2009, ITIL was identified as a key initiative in the Countywide Information Technology Strategic Plan.</p>						

**Reprographics
Fiscal Year 2012-13 Proposed Budget**

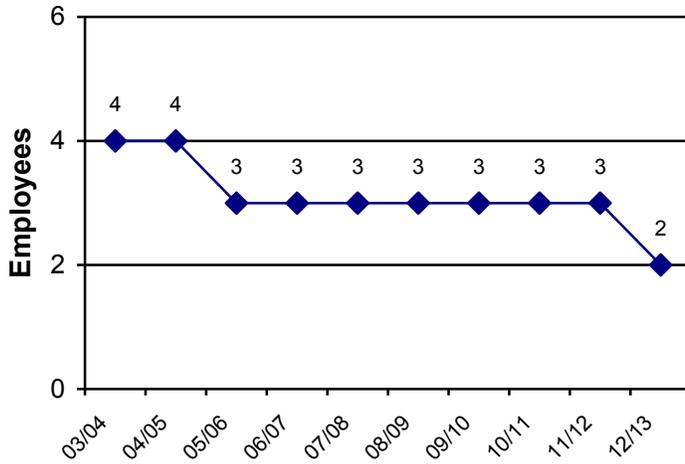
Fund Center 406

MISSION STATEMENT

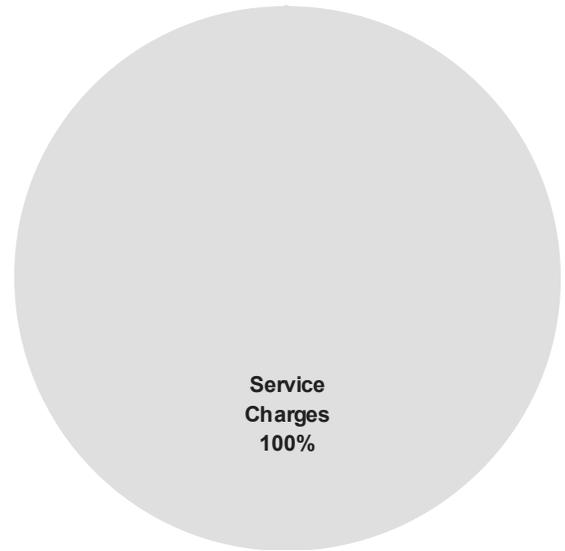
To provide skilled, responsive, and cost effective reprographic services that delivers excellence to our customers and support efficient delivery of services to the community.

OPERATING DETAIL (1)	2010-11 ACTUAL (2)	2011-12 ESTIMATED (3)	2012-13 PROPOSED ESTIMATES (4)	2012-13 RECOMMENDED ESTIMATES (5)
OPERATING REVENUES				
Charges for current services	476,818	358,609	401,442	401,442
TOTAL OPERATING REVENUES	476,818	358,609	401,442	401,442
OPERATING EXPENSES				
Salaries and Benefits	212,721	205,634	102,873	102,873
Services and Supplies	225,763	212,689	217,396	217,396
Depreciation	6,346	5,650	5,650	5,650
Countywide Overhead Allocation	28,452	0	14,346	14,346
TOTAL OPERATING EXPENSES	473,282	423,973	340,265	340,265
OPERATING INCOME (LOSS)	3,536	(65,364)	61,177	61,177
NON-OPERATING REVENUES (EXPENSES)				
Other	660	8,100	0	0
Interest	329	118	0	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	989	8,218	0	0
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	4,525	(57,146)	61,177	61,177
Transfers in (out)	(6,627)	(6,314)	(2,552)	(2,552)
CHANGE IN NET ASSETS	(2,102)	(63,460)	58,625	58,625
Net assets - beginning	143,174	141,072	77,612	77,612
Net assets - ending	141,072	77,612	57,533	57,533
FIXED ASSET EXPENDITURES				
Equipment	0	0	0	0
TOTAL FIXED ASSET EXPENDITURES	0	0	0	0

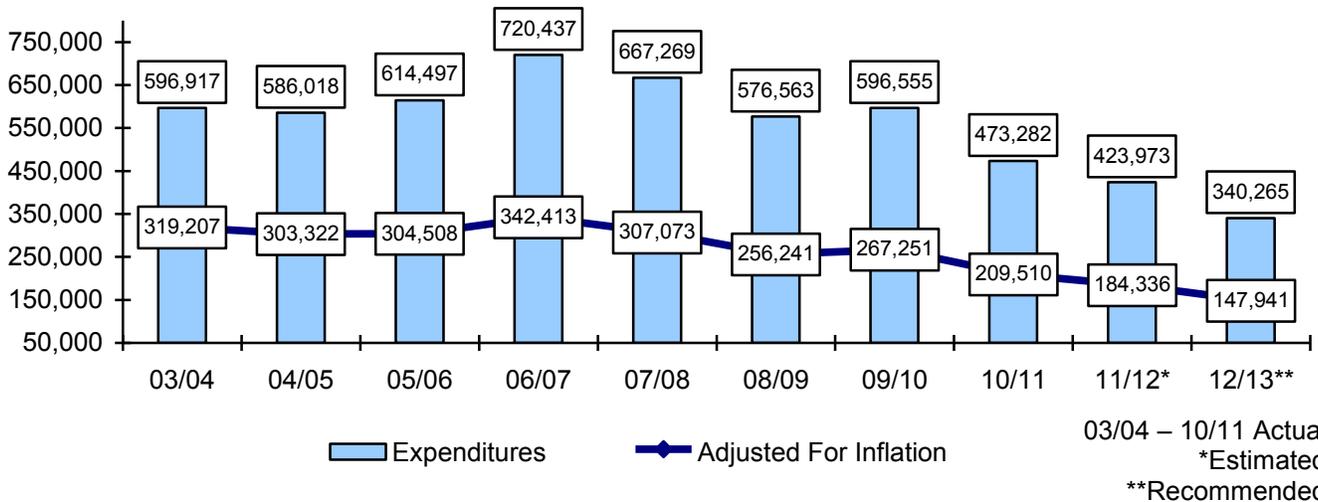
Number of Employees
 (Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Reprographics has a total expenditure level of \$340,265 and a total staffing level of 2.00 FTE to provide the following services.

Reprographics

General Services Agency - Reprographics provides centralized reprographic services to County departments and other governmental agencies, including printing, copying, large format printing, and scanning.

Total Expenditures: \$340,265 Total Staffing 2.00 (FTE):

Support to County Departments

DEPARTMENTAL COMMENTS

The Reprographics Internal Service Fund (ISF) exists to provide skilled, responsive, and cost effective reprographic services to County Departments in a friendly and service-oriented manner. Reprographics strives to provide overall value to their customers while keeping current on changing technologies and the shift towards a "paperless" office.

Overall, the reprographics industry is experiencing a reduction in service delivery. County departments are decreasing their use of Reprographics services. The long-term outlook for the Reprographics ISF is being reviewed to determine the most effective way to meet county-wide needs.

Following are some of the department's notable accomplishments for FY 2011-12 and some specific objectives for FY 2012-13:

FY 2011-12 Accomplishments

- Completed a top-to-bottom review of County Reprographics services and made changes recommended in the review

FY 2012-13 Objectives

- Define County essential services provided by Reprographics ISF to assist with the transition to contract print and copy services

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Reprographics, a division of the General Services Agency, is an Internal Service Fund (ISF), and as such, charges user departments for services. The State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, Service Programs, and the 10 year Expenditure chart use the information and data from the Schedule 10, including the amount allocated for depreciation. It is important to note that the comparison of estimated amounts in the Schedule 10 differs from the comparison of amounts in General Fund budgets. General Fund budgets compare the adopted budget amount to the recommended budget amount. The Schedule 10 for internal service funds compares the estimated actual amount for FY 2011-12 to the proposed amount of new allocated expense and revenues, to be budgeted for FY 2012-13.

Over the past several years, the use of Reprographic print and copy services has declined. The long term outlook for Reprographics continues to indicate a decline in demand for copy and print services and related revenues. Over the past five years, the number of job requests processed by Reprographics has declined by over 40%. The business dynamics for Reprographics are not expected to improve in the future, indicating that in future years the full operational cost for Reprographics will not be recovered through the revenues generated by this ISF. This dynamic is the result of fundamental shifts in departmental business processes and driven by three primary factors:

1. Increased use of electronic communications (i.e. email),
2. Increased use of departmental copiers and printers, and
3. Selective outsourcing for copying and printing needs by departments.

An independent consultant evaluated the business processes for Reprographics and concluded that outsourcing print and copy services could save the County up to \$200,000 per year. The General Services Agency concluded that Reprographic Services should be phased out and a consolidated contract should be established with a copy and print vendor to provide print and copy services for all departments. Quarterly fiscal reports identified the intent to phase out Reprographic Services in FY 2012-13. This 12 to 18 month implementation timeline will allow sufficient time to develop a contract and implement an orderly transition from in-house services to a private provider.

The recommended FY 2012-13 budget for Reprographics reflects reductions in staffing and other expenses in recognition of the decline in service demands and the phasing out of County Reprographic Services. The Schedule 10 shows the recommended operating expense in the FY 2012-13 Reprographics budget is decreasing by \$83,708 or 20%, compared to the FY 2010-11 estimated operating expense. Salaries and benefits are

**Reprographics
Fiscal Year 2012-13 Proposed Budget**

recommended to decrease by \$102,873, or 50%, from the estimated FY 2010-11 salaries and benefit expense. The recommended budget eliminates one filled Reprographics Technician III position. A second filled Reprographic Technician position is recommended for elimination in January of 2013, the mid-point of the FY 2012-13 budget. Upon completion of FY 2012-13, the County Reprographics function will cease and the last position, the filled Reprographics Leadworker position, will also be eliminated.

The FY 2012-13 Reprographic Budget will allow for continuation of County print and copy services through the first half of the fiscal year. During the second half of the fiscal year copy and print services will transition to a private contractor that will be determined through a competitive selection process. The elimination of County Reprographics and moving to contracted print and copy services are expected to reduce annual county print and copy costs by as much as \$200,000.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide timely, reliable and cost-effective reprographic services that meet or exceed customer expectations.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of customer survey respondents who rate quality of reprographics services as satisfactory or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
100%	100%	100%	100%	97%	97%	Deleted
What: Survey results of internal County department customers.						
Why: To ensure effective customer service.						
How are we doing? Reprographics achieved results of 100% satisfaction for FY2010-11. This singular focus on quality is being replaced by an overall customer satisfaction rating that includes measures such as overall value, quality, timeliness, and cost. This measure is being replaced by the following Performance Measure which expands the topics of the survey.						
2. Performance Measure: Percentage of Customers rating their experience with Reprographics as “satisfactory” or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	N/A	N/A	N/A	N/A	97%
What: Survey results of internal County department customers which includes customer feedback on overall value, timeliness, quality and cost.						
Why: To ensure effective customer service. The metric is expected to encourage timely processing of requests and high quality transactions by measuring customers satisfaction related to the services provided.						
How are we doing? This is a new metric for FY2012-13. The target is based on customer service metrics in the customer survey which focused on the quality of Reprographics services. This measure will provide a broader perspective of how customers view Reprographic services as survey questions incorporate overall value, quality, timeliness of service delivery and cost.						

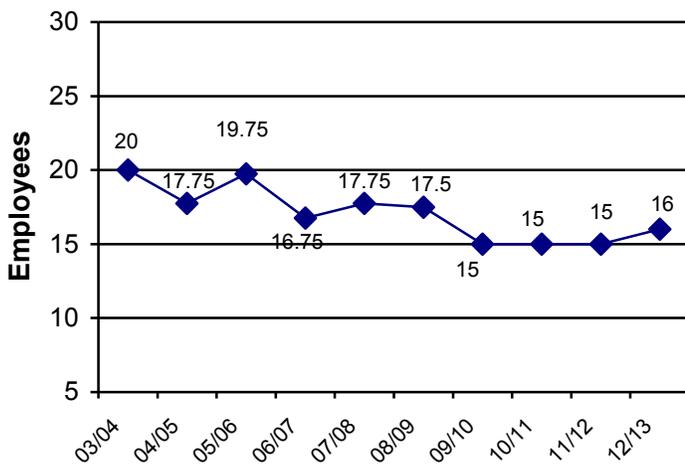
3. Performance Measure: Rates charged by Reprographics for common print jobs compared to rates charged by private vendors for the same jobs.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
Repro Rates below market (private companies)	Repro Rates below market (private companies)	Repro Rates below market (private companies)	Repro Rates below market (private companies)	Repro Rates below market (private companies)	Repro Rates at market (private companies)	Deleted
<p>What: Job rates charged by Reprographics to perform common print jobs as compared to local private vendors' rates.</p> <p>Why: To demonstrate Reprographics cost competitiveness with local private vendors.</p> <p>How are we doing? Following a thorough study of the FC 406 business by an outside consultant, it was determined that cost is not an effective measure for the County's Reprographics business and this measure is being deleted. For many Reprographics customers, there is a value beyond just simple cost comparison between individual job costs, particularly on more complex jobs and the new customer survey measure is intended to capture feedback on the overall value of Reprographic's customers.</p>						

MISSION STATEMENT

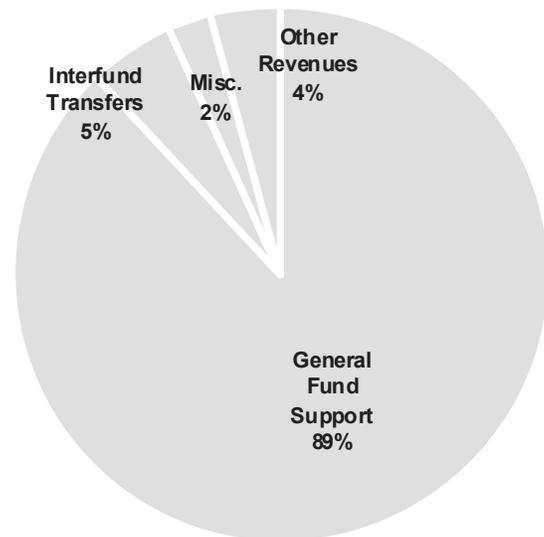
We attract, select, develop, and retain a talented and diverse workforce through strategic collaboration. We provide high quality and cost-effective programs to cultivate a healthy, safe, and productive work environment to maximize individual and organizational potential.

<u>Financial Summary</u>	2011-12	2011-12	2012-13	2012-13	Change From
	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	<u>2011-12</u>
Intergovernmental Revenue	\$ 6,252	\$ 2,000	\$ 5,269	\$ 5,269	\$ (983)
Charges for Current Services	49,025	49,025	49,025	49,025	0
Other Revenues	100,000	100,000	100,000	100,000	0
Interfund	<u>121,321</u>	<u>121,321</u>	<u>120,411</u>	<u>120,411</u>	<u>(910)</u>
**Total Revenue	\$ 276,598	\$ 272,346	\$ 274,705	\$ 274,705	\$ (1,893)
Salary and Benefits	1,828,415	1,750,000	1,816,359	1,884,553	56,138
Services and Supplies	<u>511,668</u>	<u>591,161</u>	<u>498,742</u>	<u>469,712</u>	<u>(41,956)</u>
**Gross Expenditures	\$ 2,340,083	\$ 2,341,161	\$ 2,315,101	\$ 2,354,265	\$ 14,182
General Fund Support (G.F.S.)	<u>\$ 2,063,485</u>	<u>\$ 2,068,815</u>	<u>\$ 2,040,396</u>	<u>\$ 2,079,560</u>	<u>\$ 16,075</u>

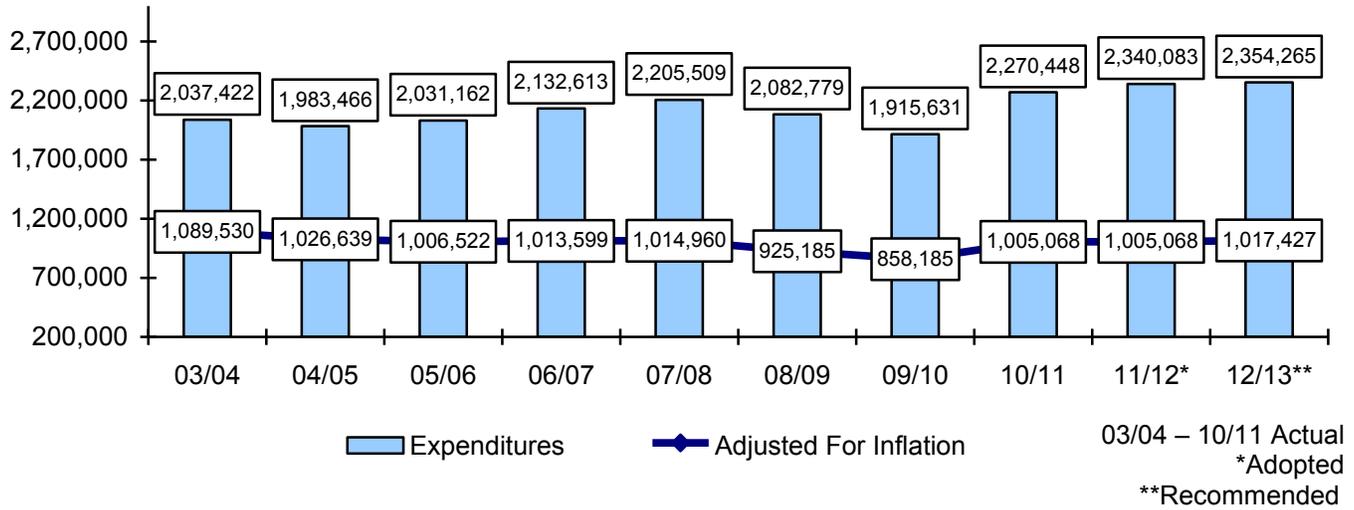
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Human Resources has a total expenditure level of \$2,354,265 and a total staffing level of 16.00 FTE to provide the following services:

Human Resource Services

Provide innovative, responsive, valid, reliable and meritorious recruitment and selection services to county departments and job applicants to employ a qualified and diverse workforce to deliver services; maintain a standardized and equitable classification system which defines scope and the nature of job assignments; provide ongoing updates to classification specifications that differentiate among job assignments and expectations and support career development options to hire and retain qualified employees; assist departmental staff in managing performance and conduct issues; provide rule, policy and ordinance interpretation and updates; and assist in resolving complaints at the lowest level.

Total Expenditures: \$1,133,628 Total FTE: 9.15

Training and Development

Training and Development creates and promotes individual and organizational effectiveness by developing and offering innovative and diverse programs to meet organizational needs for employee development. Services include Countywide training program administration and coordination; new employee orientation; and oversight of the County Learning Management System.

Total Expenditures: \$225,505 Total FTE: 1.50

Civil Service Commission Support

The Human Resources Department, under general direction of the Commission, administers the Civil Service System pursuant to the rules adopted by the Commission. Such administration includes: advising the Commission upon Civil Service matters; furnishing a recording secretary who takes meeting minutes; preparing the operating budget and administering expenditures; administering the programs provided for by the rules; establishing administrative controls and procedures to enforce the rules; making recommendations on policy and rule amendments; preparing an annual report for the Board of Supervisors.

Total Expenditures: \$200,979 Total FTE: 1.15

Support to County Departments

Labor Negotiations and Contract Management

Establish salaries and benefits and maintain an equitable salary plan for all County employees. Negotiate salary and benefit packages with the bargaining units representing approximately 80% of County employees. Implement the terms of contracts with employee organizations. Prepare strategies to implement the Board's Labor Relations direction.

Total Expenditures: \$794,153 Total FTE: 4.20

DEPARTMENT COMMENTS

The Human Resources (HR) Department is responsible for providing the County's traditional Human Resources services (e.g., recruitment and testing, classification studies and analysis, departmental consults, staff support to the Civil Service Commission, and training), Labor Relations Management, and Risk Management services (e.g., liability, workers' compensation, insurance, safety, and employee benefits). Funding for the programs are located in Fund Center 112 – Human Resources, Fund Center 105 – Risk Management, and Fund Centers 408 through 412 – the Internal Service Funds. Human Resources also provides contractual services to the Regional Transit Authority and Air Pollution Control District.

The Labor Relations function has now achieved the Board's three-point Strategic Plan for Labor Relations. Along with the substantial progress made in Labor Relations, HR has been able to make headway on a variety of priorities for the County, including the expansion of supervisory and leadership development programs in the Employee University (EU) and a reduction in employee injuries via the Loss Prevention Initiative (LPI).

Following are some of the department's notable accomplishments for FY 2011-12 and some specific objectives for FY 2012-13:

FY 2011-12 Accomplishments

- Successfully achieved all three goals of the Board's strategic plan for Labor Relations:
 1. Second Tier Pension: Over 90% of the labor force now has a lower level of pension benefit for newly hired employees. Currently, the County realizes a savings of over \$780,000 and will see over \$25 million savings in approximately 20-30 years.
 2. Pension Cost Sharing: All bargaining units are sharing in pension cost increases which currently represents an ongoing \$8 million savings to the County.
 3. Prevailing Wage: All employees have agreed to no wage increases and/or the elimination of automatic, formulaic wage increases, representing an ongoing cost avoidance of over \$17 million.
- Achieved labor harmony after several unprecedented decertification and election processes.
- Developed the leadership components of the Management and Supervisory Academies through our relationship with Santa Barbara Employee University.

FY 2012-13 Objectives

- Continue implementation of Board's existing Labor Relations strategy, while assisting with development of new strategies to address future needs.
- Implement Ordinance Code Revision/Update Program to bring over 20 County Codes into compliance with 13 individual MOUs and ensure accurate reflection of contractual agreements and County practices.
- Establish training for departments on application of MOU revisions.
- The LPI will continue its focus on prevention of ergonomically-related injuries by completing 300 ergonomic evaluations Countywide in areas with the highest past injury trends and loss data. The goal is to reduce overall injuries by 5%, ergonomic injuries by 25%, and total payout for injuries that do occur.
- The Safety Program will contribute to injury prevention efforts through enhancements in incident investigation procedures.
- Expand the Return-to-Work Program to include non-occupational injuries, with a goal of reducing time off work by 10%.

- Updated seven Countywide policies to comply with best practices and legal updates, including: the County's Social Media Policy, Equal Employment Opportunity Policy, Harassment and Discrimination Prevention Policy, Workplace Violence Prevention Policy, Drug and Alcohol Policy, General Leave Policy, and Non-Occupational Medical Policy.
- The LPI has met its target goal of completing 300 ergonomic evaluations. Ergonomic related injuries are projected to be down 55% by the end of the fiscal year compared to the end of last fiscal year, and the total paid for each injury is projected to be down by 56% on the remaining injuries.
- Completed negotiations with all (13) bargaining units with open labor contracts or reopener requirements.
- Completed the meet and confer process regarding the Civil Service Rule updates, and finalized rule revisions.
- Completed recruitment process analysis and updated procedures to be as compliant, flexible, and valid as possible.
- Present previously updated policies to the Review Committee and Board of Supervisors as necessary and initiate a communication and implementation plan for revised policies.
- Design, build, and offer new courses through EU in support of the Management and Supervisory Academies.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The Human Resources department includes two General Fund budgets, Fund Center 112- Human Resources and Fund Center 105- Risk Management. The level of General Fund support for the two fund centers combined is recommended to decrease \$29,051 or 1% compared to the FY 2011-12 adopted level. This decrease is largely due to a decrease in liability insurance premiums paid by Fund Center 105.

The level of General Fund support for Fund Center 112- Human Resources is recommended to increase \$16,075 or less than 1% compared to FY 2011-12 adopted levels. Revenues are recommended to decrease \$1,893 or less than 1% and total expenditures are recommended to increase \$14,182 or less than 1%.

Revenues are decreasing slightly, due to a projected decrease in the amount of nuclear planning revenue that the department will receive, as well as a decreased transfer in from Fund Center 275- Organizational Development, due to the cost of the position that administers the Organizational Development program decreasing slightly as a result of pension cost sharing.

Salary and benefits are increasing \$56,138 or 3% due to the recommended addition of 1.0 FTE Human Resources Analyst Aide- Confidential to the department's Position Allocation List (PAL) (discussed below), partially offset by decreased benefits costs throughout the department as a result of pension cost sharing.

In FY 2011-12, the adopted budget added a 'confidential' designation to an existing Human Resources Analyst Aide in Human Resources to enable the position to be involved in the Labor program and legitimately process sensitive labor relations work in compliance with the County's Employee Relations Policy. As this change only involved the addition of the 'confidential' designation to an existing position, it did not increase the capacity of the department as a whole. At the time that this change to the position was made, the department determined that the only program area in which the department could possibly mitigate the impact of lost capacity to the Labor program was the Workers' Compensation's Return to Work program, housed in Risk Management. As such, resources were shifted from Workers' Compensation to labor relations and work related to the Return to Work program was redistributed among staff. After a year of staffing the programs in this manner, the department has realized significant negative impacts to the Workers' Compensation- Return to Work program. In the past year, the County's liabilities have increased from \$9,000,000 to \$9,800,000 and Workers' Compensation expenses have increased from \$2,400,000 to \$2,800,000. In addition, the percentage of reported claims still open has hit

**Human Resources
Fiscal Year 2012-13 Proposed Budget**

64%-- the highest rate since 2004. The implications of these impacts are significant—Workers’ Compensation charges to departments are due to double, to \$3,200,000 in FY 2013-14, and increasing liabilities and costs may also further increase charges to departments. The recommended Budget Augmentation Request (BAR) to reallocate a portion of the labor relations contract to fund an additional staff person for the Labor program will enable the department to shift staff resources in the Labor program back to the Workers’ Compensation- Return to Work program, in an effort to mitigate the impacts just discussed. This BAR will not add additional capacity to the Labor Relations program.

Services and supplies are decreasing \$41,956 or 8% due largely to the recommended reallocation of a portion (\$80,530) of the funds previously allocated for the County’s contract with Renne Sloan Holtzman Sakai for labor relations services, to fund the Human Resources Analyst Aide- Confidential position, as discussed above. This decrease is partially offset by the recommended addition of \$50,000 to the department’s professional services account to provide outside legal counsel for the Civil Service Commission (CSC), discussed below. Significant value purchases are also recommended to decrease \$10,500 to ensure that the department stays current with Information Technology’s recommended computer replacement schedule.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

Unit Amount	Description	Results
Gross: \$80,530 General Fund Support: \$0 Source of Funding: Professional Services- existing Labor Relations contract with Renne Sloan Holtzman Sakai	Reallocate a portion of the existing General Fund allocation for the Renne Sloan Holtzman Sakai Labor Relations Contract to fund the addition of 1.0 FTE Human Resources Analyst Aide- Confidential to provide labor relations staff support. In FY 2011-12, staff capacity was shifted from the Workers’ Compensation- Return to Work program to the Labor Relations program. The reallocation of funds to add this position will enable the department to continue to staff the Labor Relations program at existing levels and shift staff resources back to the Workers’ Compensation- Return to Work program.	The addition of this position will enable the department to continue staffing the Labor Relations program at current levels, while restoring staff capacity to the Workers’ Compensation- Return to Work program, to: <ol style="list-style-type: none"> 1. Reduce the open claim inventory from the current high of 263 open claims, down to 225 claims (the open claim level before capacity was shifted to labor relations); 2. Reduce the costs associated with the use of the third party administrator by \$24,000 a year; 3. Decrease the County’s liabilities from \$9.8 million to \$9 million; 4. Decrease Workers’ Compensation costs from \$2.8 million to \$2.4 million.
Gross: \$50,000 General Fund Support: \$50,000	Add \$50,000 to Professional Services to provide funding for outside legal counsel for the Civil Service Commission (CSC). In recent years, the County Counsel’s Office has provided the CSC with the majority of its required legal counsel. As a result, County departments have had to seek outside counsel or represent themselves during CSC hearings. By providing funding for outside legal counsel for the CSC, County Counsel will be able to fully represent County departments during CSC hearings, which will provide for more consistent and sound representation of County departments.	Providing funding for outside legal counsel for the CSC will: <ol style="list-style-type: none"> 1. Reduce or eliminate the cost of outside legal counsel for County departments by ensuring that County Counsel is able to provide legal counsel to County departments; 2. Ensure sound and consistent legal representation for both the CSC and County departments during CSC hearings, which will contribute to the conduct of fair hearing processes;

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Conduct, monitor, and evaluate recruitment and testing in a timely manner in order to provide County departments with qualified candidates while ensuring compliance with regulations and merit principles.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>1. Performance Measure: Average number of days to produce eligibility lists for departments for open recruitments.</p>						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
38 days	38 days	34 days	44 days	40 days	40 days	39 days
<p>What: This measures the time (recruitment final filing date through establishment of eligibility list) it takes Human Resources to provide departments with a list of qualified candidates to fill a vacant position after the recruitment closes.</p> <p>Why: The number of days to produce an eligibility list for recruitments is one measure of departmental efficiency. Human Resources endeavors to provide eligibility lists as quickly as possible to maintain staffing levels adequate to provide services to the community.</p> <p>How are we doing? A number of factors contribute to the increase in recruitment times in recent years: applications in FY 2010-11 were up 12%; in addition, hiring department resource constraints and requests by hiring departments for delays in the process contributed substantially to the increase in the number of days. While the number of days has increased, Human Resources' recruitment satisfaction rating remains at a high level (97%). Additionally, in collaboration with client departments, Human Resources has enhanced the recruitment and selection process. The enhanced recruitment and selection process adds days to recruitment time, but improves recruitment and selection outcomes. Given this, FY 2011-12 targets were modified from 32 days as stated in the FY 2011-12 Proposed Budget document, to 40 days to reflect the enhanced process. The FY 2012-13 target of 39 days reflects the anticipated impact of refining performance under the enhanced process. Comparable-entity data is not available.</p>						
<p>2. Performance Measure: Percentage of departments rating their level of satisfaction with the overall recruitment process as satisfactory or better.</p>						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	100%	97%	95%	95%	95%
<p>What: This measure presents the results of surveys completed by departments at the close of open recruitments as to the level of satisfaction with the overall recruitment process.</p> <p>Why: Recruitment process satisfaction survey results are tracked to determine whether or not the recruitment process is effective in meeting departments' staffing needs. Survey results enable us to identify opportunities to improve the efficiency and effectiveness of recruitments.</p> <p>How are we doing? The Human Resources department's performance can influence satisfaction with the recruitment process. Mutually agreed upon process improvements increased recruitment timelines, but contributed to a high level of customer satisfaction. During FY 2010-11, 97% of 36 survey respondents rated the overall recruitment process as satisfactory or better. Target levels represent a high expectation for continued service excellence. Comparable-entity data is not available.</p>						
<p>Department Goal: To provide reliable, high quality internal support services to County departments.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>3. Performance Measure: Percentage of County departments that rate Human Resources' service as satisfactory or better relative to timeliness, accuracy, and quality of service (competency).</p>						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	Accuracy: 100% Competency: 96% Timeliness: 97%	Accuracy: 93% Competency: 93% Timeliness: 93%	Accuracy: 95% Competency: 95% Timeliness: 94%	Accuracy: 95% Competency: 95% Timeliness: 95%	Accuracy:95% Competency:95% Timeliness:95%:	Accuracy:95% Competency:95% Timeliness:95%

What: The Human Resources department surveys departments annually to determine their level of satisfaction with our staff support relative to accuracy, competency and timeliness (ACT). This measure reflects the results of the department's satisfaction survey.

Why: This measure reflects the information gained from the satisfaction survey and allows us to continuously improve our service and support to departments.

How are we doing? Of 24 surveys sent out, 20 responses were received. In each category, 19 of 20 respondents rated Human Resources as satisfactory or better. At the end of FY 2010-11, data for this measure reflect the impact of lean staffing in Human resources. Clientele report high satisfaction with our work product, but note that response time has increased. Target levels represent a high expectation for continued service excellence. Comparable-entity data is not available.

Department Goal: To provide effective response to, and resolution of, unanticipated challenges to County employment related rules or personnel actions.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

4. Performance Measure: Percentage of filed grievances and appeals resolved prior to Civil Service Commission hearing.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
N/A	N/A	89%	89%	85%	85%	85%

What: This measure tracks the rate at which Human Resources resolves grievances/appeals (allegations of improper personnel practices by the County) prior to the matter reaching a Civil Service Commission hearing.

Why: The grievance/appeal resolution rate is a reflection of the ability of Human Resources' professional staff to collaborate with stakeholders, design solutions to challenges, and reach mutually agreeable terms on grievance/appeal matters.

How are we doing? There were 18 grievances/appeals filed in FY 2010-11. Of these 18, only 2 reached a Civil Service Commission hearing; 10 were resolved prior to hearing, and 6 cases were pending at close of the fiscal year. At the end of FY 2009-10, there were 6 cases pending. All 6 of those cases were resolved in FY 2010-11 prior to Civil Service Commission hearing. As a result, a total of 24 grievances/appeals were addressed in FY 2010-11. Because certain grievances or appeals are more appropriately heard rather than resolved prior to hearing, a result of 89% resolution represents a high achievement rate. The target resolution rate of 85% represents a continued high expectation for this area of emphasis within Human Resources. Comparable-entity data is not available.

Department Goal: Provide cost-effective personnel services.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

5. Performance Measure: Number of full-time equivalent Human Resources department staff per 1,000 employees.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
7.2	6.2	5.8	6.3	6.1	Better than market comparators	Better than market comparators

What: This measures the number of Human Resources department full time equivalent (FTE) staffing per 1,000 employees.

Why: This data can be compared with other Human Resources departments with similar characteristics to provide one measure of whether or not we are appropriately staffed for providing personnel services.

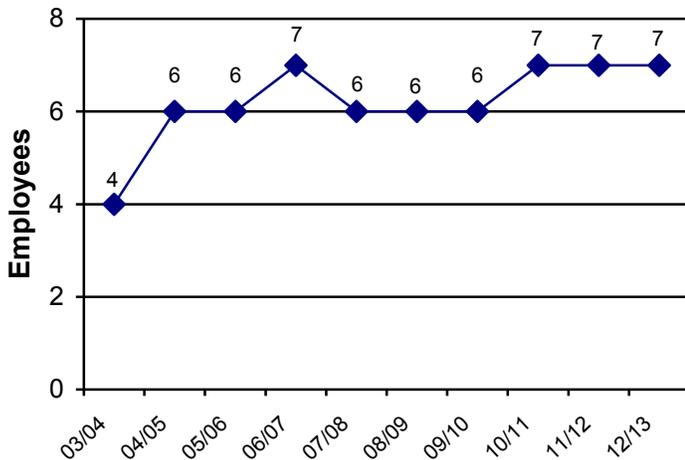
How are we doing? In FY 2010-11, Human Resources had 6.3 FTE per 1,000 employees (15.0 filled FTEs, for a total County employee count of 2,396). Human Resource departments comparable to San Luis Obispo County's (Placer, Napa, Marin, Santa Barbara and Santa Cruz) had an average HR staffing level of 9.6 FTE per 1,000 employees in FY 2010-11. The fact that the County employs fewer Human Resources staff per 1,000 employees than comparable Human Resource departments indicates a high level of efficiency in Human Resources department operations. In the past, this measure has focused on the number of HR FTE per 1,000 employees. Note that projected and target performance levels now reflect the measure's intent, rather than a specific numerical representation of the desired outcome.

MISSION STATEMENT

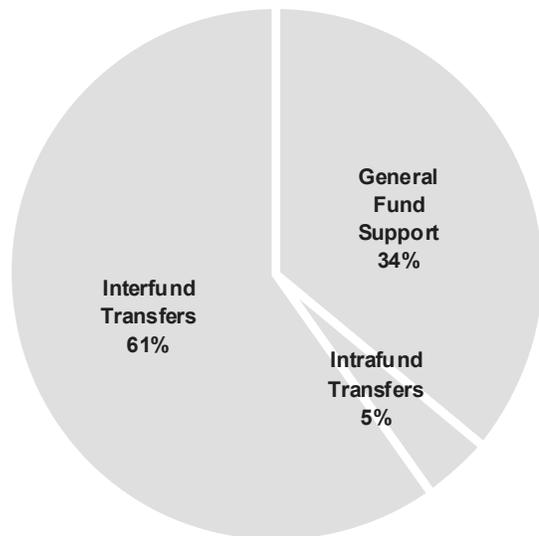
We collaborate with County Departments to protect financial stability and promote safe practices by managing and administering the Safety, Benefit, Workers Compensation, and Liability programs and providing education and training to ensure the health and welfare of all employees and the public we serve.

<u>Financial Summary</u>	2011-12	2011-12	2012-13	2012-13	Change From
	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	<u>2011-12</u>
Interfund	\$ 990,117	\$ 990,117	\$ 985,045	\$ 985,045	\$ (5,072)
**Total Revenue	\$ 990,117	\$ 990,117	\$ 985,045	\$ 985,045	\$ (5,072)
Salary and Benefits	782,428	740,000	788,781	788,781	6,353
Services and Supplies	873,426	812,443	824,876	824,876	(48,550)
**Gross Expenditures	\$ 1,655,854	\$ 1,552,443	\$ 1,613,657	\$ 1,613,657	\$ (42,197)
Less Intrafund Transfers	68,107	68,107	76,108	76,108	8,001
**Net Expenditures	\$ 1,587,747	\$ 1,484,336	\$ 1,537,549	\$ 1,537,549	\$ (50,198)
General Fund Support (G.F.S.)	\$ 597,630	\$ 494,219	\$ 552,504	\$ 552,504	\$ (45,126)

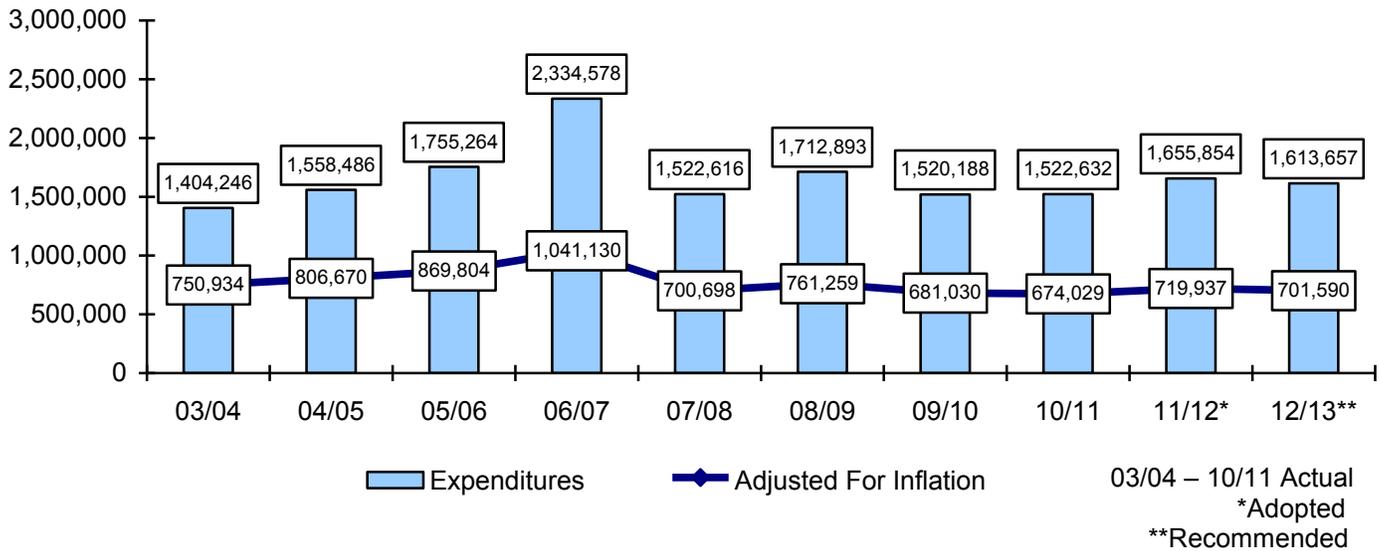
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Risk Management has a total expenditure level of \$1,613,657 and a total staffing level of 7.00 FTE to provide the following services:

Employee Benefits

Provide high quality employee benefit administration services (e.g., health, life, ITS, wellness, etc.) to active employees and retirees.

Total Expenditures: \$349,790 Total Staffing (FTE): 1.45

Safety

Implement cost-effective safety programs that ensure a safe work environment, reduce work-related employee injuries, and minimize the costs associated with Workers' Compensation.

Total Expenditures: \$165,079 Total Staffing (FTE): 1.50

Liability and Insurance

Effectively manage the Liability Program by resolving all tort claims efficiently and fairly while minimizing costs to the taxpayer. Secure cost effective insurance coverage levels for the County, implement industry standard transfer of risk strategies to protect the County from unnecessary risk, provide advice to departments on insurance matters, issue insurance certificates, process all County-initiated insurance claims, and perform risk analyses.

Total Expenditures: \$817,698 Total Staffing (FTE): 1.45

Workers' Compensation

Effectively manage the Workers' Compensation Program by processing all claims efficiently, fairly and in accordance with the law. Administer the Return to Work program.

Total Expenditures: \$281,090 Total Staffing (FTE): 2.60

Support to County Departments

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to decrease \$45,126 or 7% compared to FY 2011-12 adopted levels. Revenues are recommended to decrease \$5,072 or less than 1% and total expenditures are recommended to decrease \$50,198 or 3%.

Revenue in this budget consists of transfers in from other fund centers for the services that Risk Management staff provides in managing the County’s various insurance programs and is decreasing only slightly.

Salary and benefits are increasing \$6,353 or less than 1% due to regular pay step increases. Services and supplies are decreasing \$48,550 or 5% due to a \$97,724 decrease in Risk Management’s share of liability insurance costs. Departmental charges for liability insurance premiums are determined based upon a seven year history of the department’s liability claims. As the department that administers the liability program, Risk Management pays for liability claims that cannot be assigned to a particular department. In FY 2012-13 several large liability claims will fall off Risk Management’s seven year history, which will decrease the liability charges to this fund center. This significant decrease in liability insurance charges is partially offset by increased funds to pay the pollution liability insurance premium which is prepaid every three years and is due again for payment in FY 2012-13. Transfers in from departments that contribute to property, crime and pollution liability insurance premiums are increasing \$8,001 compared to FY 2011-12 adopted levels for the cost of the pollution liability insurance premium due in FY 2012-13.

GOALS AND PERFORMANCE MEASURES

Department Goal: To effectively manage the employee benefit programs (health, life, tax savings, etc.) for County employees and retirees.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of payroll coordinators that rate the services provided by the Benefits Coordinator as above satisfactory or better.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
91%	100%	100%	94%	100%	100%	100%
<p>What: In the spring of each year, Risk Management conducts a survey of all payroll coordinators to determine their level of satisfaction with the quality of service provided by the Benefits Coordinator. The survey addresses the following critical service areas: timeliness, accuracy, responsiveness, and trustworthiness of information.</p> <p>Why: The Benefits Coordinator is responsible for educating County payroll coordinators on all aspects of employee benefits. The payroll coordinators, in turn, are responsible for disseminating this information to County employees so they can make informed benefit decisions. Regularly surveying our key customers allows us to gauge the quality of our services and make program improvements as needed.</p> <p>How are we doing? In a survey conducted in Spring 2011, 94% (11) of payroll coordinators responding rated the Benefits Coordinator above satisfactory. While the results of the survey place satisfaction with the Benefits Coordinator slightly below targeted levels, survey respondents did not indicate reasons for the below target ratings. Having only received positive feedback on the Benefits Coordinator, it is not clear why results have dipped below targeted levels. In an effort to further help educate employees, the benefits coordinator has held workshops for employees that focus on the benefits available to employees. Client response to the workshops has been favorable, and is likely to contribute to continued high satisfaction ratings for this program.</p>						
Department Goal: To promote a safe work environment for County employees.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						

2. Performance Measure: Rate of work-related illnesses/injuries per 100 employees as compared to other local government agencies in California.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
4.15	4.06	3.8	4.5	3.8	3.8	3.6
<p>What: This measure tracks the number of employee illnesses/injuries per 100 employees in comparison to other local government agencies in California. By collecting injury and illness data, we can compare ourselves to statewide average data prepared by the Department of Industrial Relations.</p> <p>Why: This measure helps to track the effectiveness of our Safety Program, which has an impact on the County's budget. An effective safety program limits employee injury and illness, which lowers workers' compensation costs for the County.</p> <p>How are we doing? The County's illness/injury rate is comparable to the private sector and well below the average for local government agencies of 8.1 per 100 employees, as reported by the Department of Industrial Relations. Top management support for the County's Safety Program, (including training, safety equipment purchases, and hazard mitigation efforts) has resulted in the County reducing its injury rate from a high of 10.3 in FY 2001-02 and FY 2002-03 to its lowest rate of 3.8 in FY 2009-10. The injury rate has leveled off as expected. In the most current data available from the State (2010), the average injury rate for comparably sized local governments was 7.1 per 100 employees. The initial impact of the Loss Prevention Initiative (LPI) is an approximate 10% reduction in reported injuries in the first half of FY 2011-12 and the program's efforts should enable us to meet our FY 2011-12 target. The FY 2012-13 target represents additional injury reduction due to the maturation of the Loss Prevention Initiative.</p>						
3. Performance Measure: Annual number of serious employee work-related injuries (i.e., death, loss of limb, overnight hospitalization, etc.) as defined by CAL/OSHA.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
0	2	1	1	0	0	0
<p>What: The Federal and State Occupational Safety and Health Act (OSHA) requires reporting of all serious work-related injuries which it defines as death, loss of limb, 24 hour hospitalization for other than observation, etc. This measure reports the number of employees who experience a serious work-related injury.</p> <p>Why: This measure helps track the effectiveness of our Safety Program, which has an impact on the County's budget. An effective safety program limits employee injury and illness, which lowers workers' compensation costs for the County.</p> <p>How are we doing? In FY 2010-11, there were no fatalities but one employee was seriously injured requiring more than 24 hours hospitalization. The County always endeavors to achieve zero serious injuries each year. Direct comparable-entity comparison data are not available for this measure.</p>						
4. Performance Measure: Number of days away from work due to workplace injury.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
795	942	419	666	750	750	675
<p>What: This measure tracks the total number of days that employees are absent during the year due to work-related injuries.</p> <p>Why: This measure helps to track the effectiveness of our safety and workers' comp programs, which have an impact on the County's budget and the productivity of County employees. Effective safety and workers' comp programs limit employee injury and illness, which lowers workers' compensation costs for the County and reduces the amount of time that County employees are unable to be at work.</p> <p>How are we doing? The County continues to see a long-term trend of lost-days reductions, though year to year the rate fluctuates. Top management support for the County's Safety and Return to Work programs has in the long term reduced the severity of injuries, and permitted workers to avoid lost work days through use of alternative work offerings. The FY 2012-13 target reflects reduced injury severity expected due to the Loss Prevention Initiative. Direct comparable-entity comparison data are not available for this measure.</p>						
<p>Department Goal: To effectively administer the County's Liability Insurance Program.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						

5. Performance Measure: Number of liability claims filed per \$1 million of payroll.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
.95	.60	.65	.57			
CSAC average 1.03	CSAC average .98	CSAC average .93	CSAC average .83	Better than the CSAC average	Better than the CSAC average	Better than the CSAC average
<p>What: This measure represents a comparison of the number of liability claims filed against local California governments. The California State Association of Counties (CSAC) Excess Insurance Authority (EIA) insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.</p> <p>Why: Tracking the number of liability claims filed per \$1 million of payroll indicates how San Luis Obispo County compares to other counties as determined by the County's annual actuary conducted by Bickmore Risk Services. Keeping liability claims to a minimum has a positive impact on the County's budget because a low number of liability claims contributes to lower liability insurance premiums.</p> <p>How are we doing? Based on our 2010 actuarial, claim frequency has decreased slightly compared to FY 2009-10 levels. The County's liability program is performing well and we remain well below the CSAC-EIA average. The County's number of liability claims per \$1 million of payroll has consistently been below the CSAC-EIA average. Due to continuing loss prevention efforts we anticipate that trend will continue.</p>						
6. Performance Measure: Performance Measure: Average dollar loss/liability claim.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
\$7,370	\$9,290	\$9,460	\$12,280			
CSAC average \$6,520	CSAC average \$7,280	CSAC average \$7,700	CSAC average \$8,990	Better than the CSAC average	Better than the CSAC average	Better than the CSAC average
<p>What: This measure provides an indication of how much money is being spent on average for liability claims. CSAC (EIA) insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.</p> <p>Why: Tracking the average dollar loss per liability claim indicates how San Luis Obispo County compares to other counties as determined by the County's annual actuary conducted by Bickmore Risk Services. Minimizing liability claims costs reduces the amount of General Fund dollars needed to pay claims, and reduces the cost of excess insurance.</p> <p>How are we doing? Based on the November 2010 actuarial study, average loss per claim increased. This is largely attributed to the settlement of several serious lawsuits. The County has experienced favorable outcomes in several recent litigated matters, and the program fundamentals are sound. We anticipate reducing our average loss per claim to levels below the CSAC average in FY 2011-12 and FY 2012-13.</p>						
7. Performance Measure: Dollars of loss per \$100 of payroll for liability claims.						
07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
.70	.56	.62	.70			
CSAC average .68	CSAC average .69	CSAC average .67	CSAC average .67	Better than the CSAC average	Better than the CSAC average	Better than the CSAC average
<p>What: This measure provides an indication of the total liability dollars spent per every \$100 of the County's payroll. CSAC (EIA) insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.</p> <p>Why: Tracking the dollars of loss per \$100 of payroll indicates how San Luis Obispo County compares to other counties as determined by the County's annual actuarial conducted by Bickmore Risk Services. Minimizing liability claims costs reduces the amount of General Fund dollars needed to pay claims, and reduces the cost of excess insurance.</p> <p>How are we doing? Based on the November 2010 actuarial, the County's loss rate per \$100 of payroll increased slightly from the November 2009 levels. Favorable resolution of several recently litigated matters gives initial indication that we will achieve our targets in FY 2011-12 and FY 2012-13.</p>						

Department Goal: Administer a cost-effective Workers' Compensation program for County employees.

Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

8. Performance Measure: Dollars of loss per \$100 of payroll for Workers' Compensation claims.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
\$1.55	\$1.43	\$1.38	\$1.27			
CSAC average \$2.52	CSAC average \$2.25	CSAC average \$2.10	CSAC average \$2.06	Better than the CSAC average	Better than the CSAC average	Better than the CSAC average

What: This measure provides a comparison of the County's workers' compensation claims costs relative to the annual workers' compensation payroll costs of other counties in California. CSAC (EIA) insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.

Why: Tracking the dollars of loss per \$100 of payroll for workers' compensation claims indicates how San Luis Obispo County compares to other counties as determined by the County's annual actuarial conducted by Bickmore Risk Services. Minimizing workers' compensation claims costs reduces the amount of General Fund dollars needed to pay claims, and reduces the cost of excess insurance.

How are we doing? The County continued to see a decline in FY 2010-11 in its loss rate per \$100 of payroll. We continue to remain below the CSAC-EIA average. Continued effective claims administration and low claim numbers as affected by safety and loss prevention efforts contribute to the decline in dollars lost.

9. Performance Measure: Number of Workers' Compensation claims per 100 employees.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
6.6	6.6	6.6	6.9			
Comp Co. avg. 9.6	Comp Co. avg. 9.6	Comp Co. avg. 8.1	Comp Co. avg. 8.4	Better than the Comp Co. average	Better than the Comp Co. average	Better than the Comp Co. average

What: This measures the number of workers' compensation claims per 100 employees for a comparison to the level of claims experienced in other California counties. San Luis Obispo County is compared to 19 other counties in the annual Self Insurance Plan Benchmark report produced by TCS Risk Management Services, and more specifically to four counties considered comparable to San Luis Obispo County (Marin, Santa Barbara, Santa Cruz and Sonoma).

Why: This measure enables us to compare the level of workers' compensation claims within the County to the claim levels experienced by comparably sized and organized California counties. Claim frequency is an indication of the effectiveness of both our workers' compensation and safety programs, which impacts the County's budget. A low level of workers' compensation claims reduces the County's workers' compensation insurance premiums.

How are we doing? The December 2010 TCS reports show the claim frequency for the County has been trending downward for several years, but the trend has leveled off. Additionally, the report shows that the County has the lowest frequency of the four comparably sized and organized counties.

10. Performance Measure: Average dollars loss per Workers' Compensation claim.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Projected	12-13 Target
\$7,380	\$5,440	\$5,730	\$6,170			
CSAC average \$11,540	CSAC average \$10,290	CSAC average \$10,790	CSAC average \$10,940	Better than the CSAC average	Better than the CSAC average	Better than the CSAC average

What: This measures the average dollars of loss per workers' compensation claim for a comparison to the average dollars of loss experienced in other Counties as reported by the CSAC average. The average loss projected by the CSAC actuary is based on historical loss data and represents ultimate final loss costs for claims from each fiscal year. CSAC (EIA) insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.

Why: Tracking the average dollars lost per workers' compensation claim provides a measurement of the effectiveness of the County's workers' compensation program as compared to other counties. An effective workers compensation program limits the number and cost of workers' compensation claims.

How are we doing? Our continued efforts to keep new claims contained and older claims resolved have helped the program see a low average dollar loss per workers' compensation claim. Like all counties, San Luis Obispo County's claim costs have begun to rise with the overall rise in health care costs. However, San Luis Obispo County's claim costs are still nearly half of the CSAC average.

**Self Insurance
Fiscal Year 2012-13 Proposed Budget**

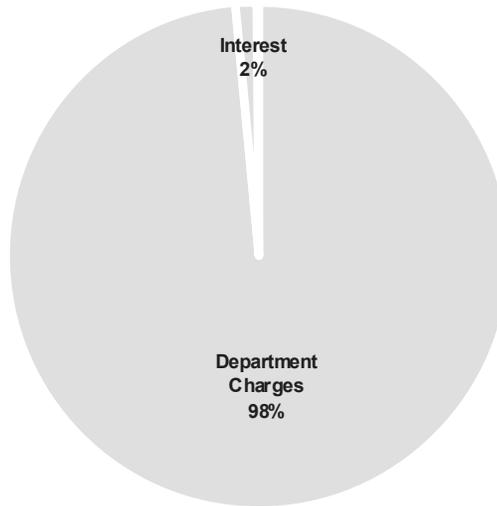
Fund Centers 408 –412

PURPOSE STATEMENT

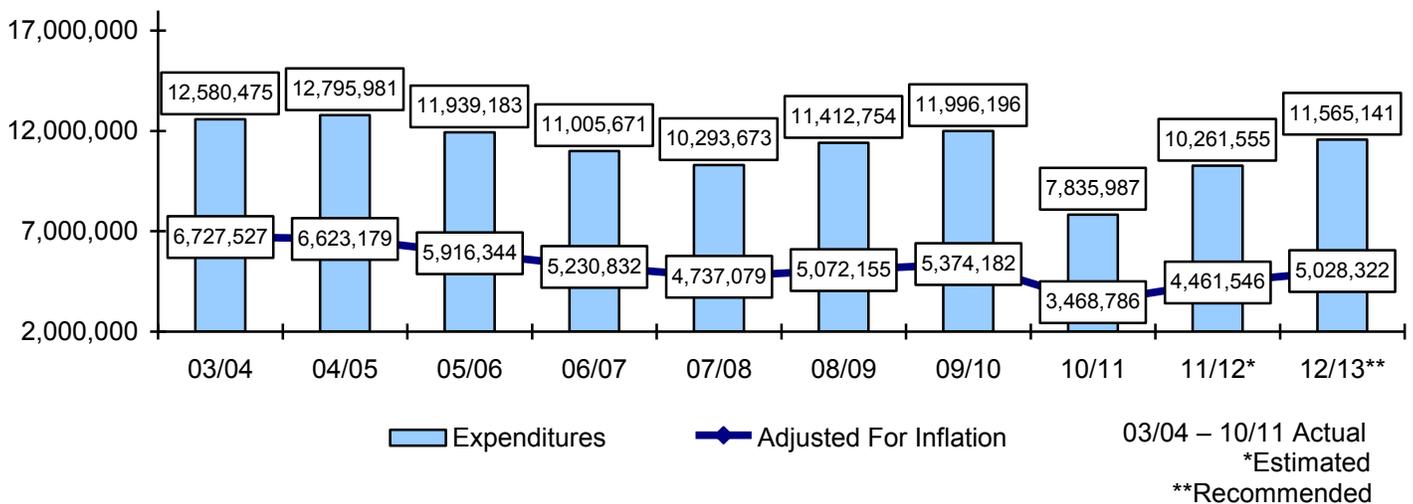
Fund Centers 408-412 comprise the County’s self-insurance budget and provide funding for Workers Compensation (Fund Center 408), Liability Self-Insurance (Fund Center 409), Unemployment Insurance (Fund Center 410), Medical Malpractice (Fund Center 411) and Self-Insured Dental (Fund Center 412). Funding for the self-insurance Fund Centers comes largely from charges to departments for providing various benefits and insurances to County employees. Staffing for the administration of the self-insurance programs is included in Fund Center 105 - Risk Management.

OPERATING DETAIL (1)	2010-11 ACTUAL (2)	2011-12 ESTIMATED (3)	2012-13 PROPOSED ESTIMATES (4)	2012-13 RECOMMENDED ESTIMATES (5)
OPERATING REVENUES				
Charges for current services	7,889,660	7,174,000	5,804,000	5,804,000
TOTAL OPERATING REVENUES	7,889,660	7,174,000	5,804,000	5,804,000
OPERATING EXPENSES				
Services and Supplies	2,870,958	2,223,355	2,176,469	2,176,469
Overhead	544,782	362,920	127,533	127,533
Insurance	1,338,711	1,935,280	2,250,000	2,250,000
Claims	2,064,272	4,930,000	5,951,139	5,951,139
Outside Legal	1,017,264	810,000	1,060,000	1,060,000
TOTAL OPERATING EXPENSES	7,835,987	10,261,555	11,565,141	11,565,141
OPERATING INCOME (LOSS)	53,673	(3,087,555)	(5,761,141)	(5,761,141)
NON-OPERATING REVENUES (EXPENSES)				
Interest	108,777	94,654	94,654	94,654
Other Income	0	1,173,008	0	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	108,777	1,267,662	94,654	94,654
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	162,450	(1,819,893)	(5,666,487)	(5,666,487)
Transfers in (out)	0	0	0	0
CHANGE IN NET ASSETS	162,450	(1,819,893)	(5,666,487)	(5,666,487)
Net assets - beginning	6,991,198	6,420,548	6,991,198	6,991,198
Net assets - ending	<u>7,153,590</u>	<u>1,440,234</u>	<u>7,313,570</u>	<u>7,313,570</u>

Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Self Insurance has a total expenditure level of \$11,565,141 to provide the following services:

Workers' Compensation

Provides funding for all costs associated with the County's self-insured Workers' Compensation Program, including benefit payments to eligible recipients and administrative expenses.

Total Expenditures: \$5,561,013 Total Staffing (FTE): _

Liability Self-Insurance

Provides funding for all costs associated with the County's self-insured Liability Program, including loss payments to resolve claims/litigation and administrative expenses.

Total Expenditures: \$3,623,335 Total Staffing (FTE): *

Medical Malpractice

Provides funding for all costs associated with the County's Medical Malpractice Program, including insurance premiums, deductibles, and administrative expenses.

Total Expenditures: \$319,514 Total Staffing (FTE): *

Unemployment Insurance

Provides funding for all costs associated with the County's self-insured Unemployment Program, including benefit payments to eligible recipients and administrative expenses.

Total Expenditures: \$286,358 Total Staffing (FTE): *

Dental Plan

Provides funding for all costs associated with the County's self-insured dental plan, including benefit payments and administrative expenses.

Total Expenditures: \$1,774,921 Total Staffing (FTE): *

*Staffing for these programs is reflected in Fund Center 105 – Risk Management.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The Self Insurance Budget consists of Internal Service Funds (ISF's) that charge County departments in order to service the Workers Compensation (Fund Center 408), Liability (Fund Center 409), Unemployment Insurance (Fund Center 410) , Medical Malpractice (Fund Center 411), and Self-Insured Dental (Fund Center 412) programs. Staffing for each of these programs is described in the budget for Risk Management (Fund Center 105).

Industry norms, including guidelines set by the County's excess insurance carrier, the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), suggest that fund reserve levels for these programs should be maintained between 70% (minimum) and 90% (conservative) confidence levels. The programs in the self insurance budget have been well managed in recent years, and are on a good financial foundation. Therefore, it is reasonable and appropriate to minimize charges to departments during this difficult budget year, while still maintaining adequate reserve levels. For this reason, charges to departments have been reduced in most cases to maintain a 70-85% confidence level in the reserve funds. Setting and maintaining of reserve levels is done in conjunction with annual actuarial studies.

Because the Self Insurance Programs are Internal Service Funds, the State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, Service Programs, and the 10 year Expenditure chart use the information and data from the Schedule 10.

For consistency with the manner in which changes in other Fund Centers are explained, this narrative provides a comparison of the FY 2012-13 recommended budget with the FY 2011-12 adopted budget. Variances between the FY 2012-13 recommended budget and the FY 2011-12 adopted budget are described by Fund Center as follows:

Fund Center 408- Workers Compensation

Revenues are recommended to remain flat, at \$2,329,000, compared to FY 2011-12 levels. As a budget balancing solution, charges to departments were temporarily reduced from normal levels of \$3,200,000, to \$1,600,000 in both FY 2009-10 and FY 2010-11, in an effort to reduce County departments' need for General Fund support. Due to concerns about maintaining appropriate reserves for this Fund Center, the charges to departments were set to generate \$2,254,000 in FY 2011-12, which represents the lowest possible impact to the General Fund without jeopardizing Workers Compensation fund reserves. The recommendation to keep charges at FY 2011-12 levels will enable the Fund Center to maintain an 80% confidence level.

Expenditures are recommended to decrease by \$308,911 or 5% compared to FY 2011-12 adopted levels due to 1) a \$50,000 reduction in insurance premiums based on an estimate provided by the CSAC-EIA; 2) a \$104,920 reduction to the contract for a third party administrator of the Workers' Compensation program, due to a renegotiation of the contractor's administrative fee; and 3) the elimination of countywide overhead charged to this Fund Center.

Fund Center 409- Liability

Revenues are recommended to decrease \$1,500,000 or 49% compared to FY 2011-12 adopted levels due to decreased liability insurance billings to departments which have been set to generate \$1,500,000 in FY 2012-13. Despite this decrease, the fund has sufficient reserves to maintain a 70% confidence level.

Expenditures are recommended to decrease \$476,125 or 11% compared to FY 2011-12 adopted levels due to a \$235,000 decrease in liability insurance costs and a \$165,000 decrease in outside legal counsel expenditures. In FY 2011-12, the budget for outside legal expenses was increased to more realistically budget for the use of outside counsel, which had historically been underbudgeted in prior fiscal years. The recommended amount for FY 2012-13 represents a leveling out of costs. A \$81,744 decrease in overhead charges also contributes to the overall decrease in recommended expenditure levels.

Fund Center 410- Unemployment Insurance

Revenues are recommended to decrease \$41,000 or 20% compared to FY 2011-12 adopted levels due to decreased billings to departments, in an effort to minimize the impact of unemployment insurance premiums to the General Fund. Expenditures are recommended to decrease \$50,453 or 13% compared to FY 2011-12 adopted levels due to a decrease in unemployment insurance payments. Despite the decrease in charges to departments, the Fund Center maintains adequate reserves to cover any potential unemployment insurance claims in the near future.

Fund Center 411- Medical Malpractice

Revenues are recommended to increase \$11,000 or 4% compared to FY 2011-12 adopted levels due to an increase in insurance charges charged out to departments in anticipation of slightly higher liabilities in the near future. Expenditures are recommended to increase \$2,726 or less than 1%.

Fund Center 412- Self-Insured Dental

Revenues are recommended to remain flat, at \$1,660,850, compared to FY 2011-12 adopted levels. Expenditures are recommended to decrease by \$11,064 or less than 1% compared to FY 2011-12 adopted levels due to a decreased cost for Delta's claim processing and Preferred Benefits' eligibility services.