Fiscal and Administrative

Administrative Office
    Organizational Development

Assessor

Auditor-Controller

Board of Supervisors

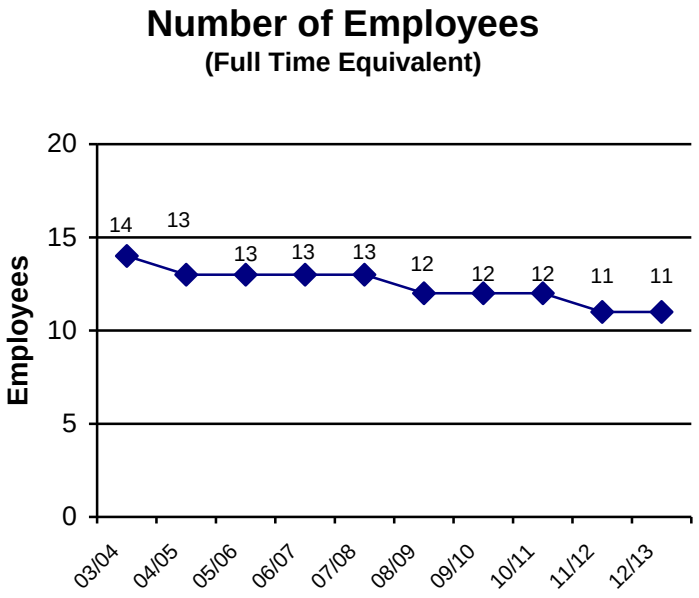
Clerk-Recorder

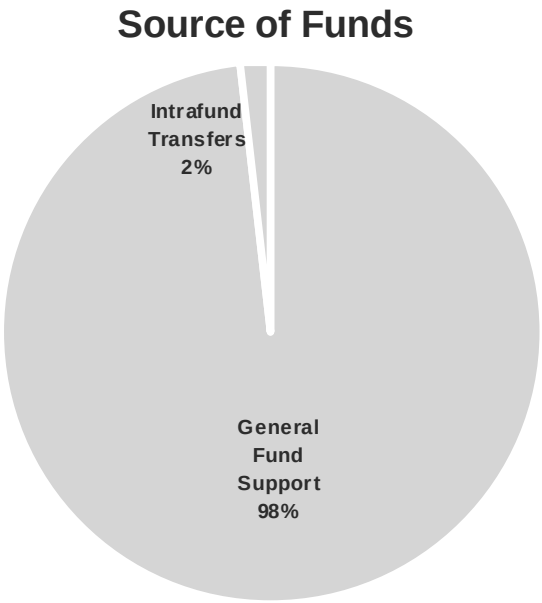
Treasurer-Tax Collector-Public Administrator

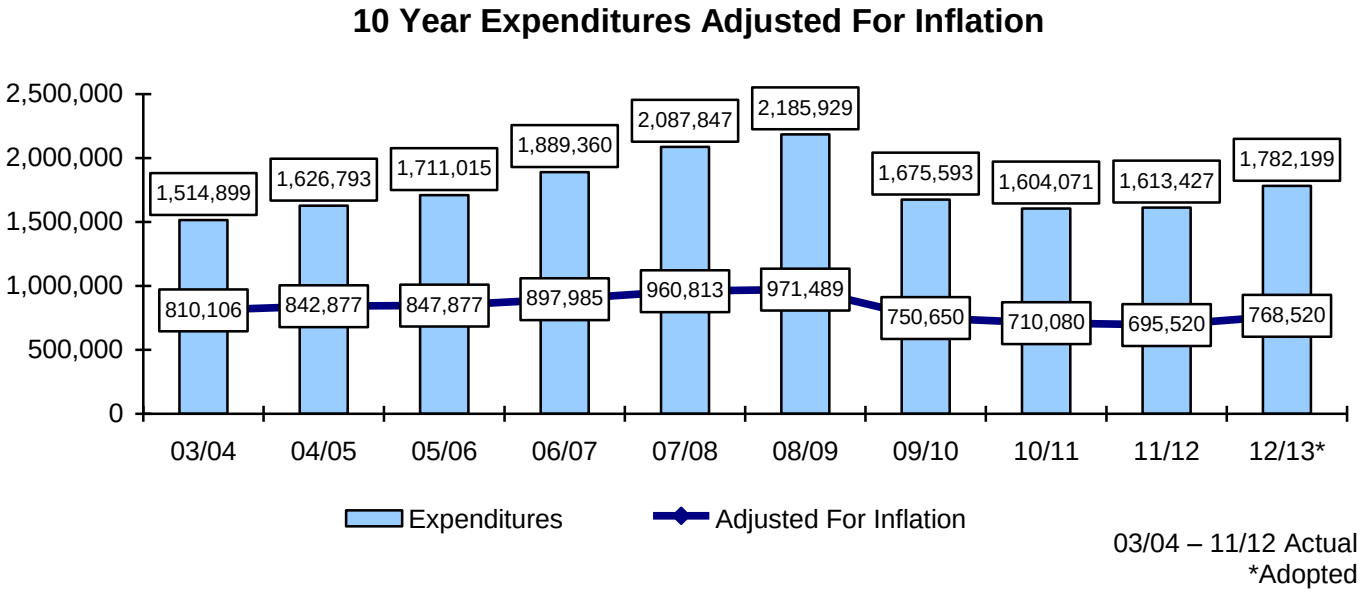
MISSION STATEMENT

Advise, interpret, and implement the goals and policies of the Board of Supervisors through effective leadership and management of County services to achieve the County's vision of a safe, healthy, livable, prosperous, and well-governed community.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Intergovernmental Revenue	$ 1,287	$ 0	$ 0	$ 0	$ 0
Charges for Current Services	20	278	124	124	124
Other Revenues	320	0	0	0	0
Interfund	28,997	29,085	29,112	29,112	29,112
**Total Revenue	$ 30,624	$ 29,363	$ 29,236	$ 29,236	$ 29,236
Salary and Benefits	1,495,534	1,465,919	1,617,159	1,617,159	1,617,159
Services and Supplies	108,537	147,508	177,868	165,040	165,040
**Gross Expenditures	$ 1,604,071	$ 1,613,427	$ 1,795,027	$ 1,782,199	$ 1,782,199
Less Intrafund Transfers	85,000	85,000	85,000	85,000	85,000
**Net Expenditures	$ 1,519,071	$ 1,528,427	$ 1,710,027	$ 1,697,199	$ 1,697,199
General Fund Support (G.F.S.)	$ 1,488,447	$ 1,499,064	$ 1,680,791	$ 1,667,963	$ 1,667,963







SERVICE PROGRAMS

The Administrative Office has a total expenditure level of $1,782,199 and a total staffing level of 11.00 FTE to provide the following services.

Citizen Outreach/Support

Represents efforts geared toward connecting the public with county government. Includes activities such as surveying the community for feedback to improve performance; developing informative presentations and materials to improve communication with the public; and promoting technology to make county government more accessible (e.g., online access to county information, televised Board meetings, etc.).

Total Expenditures: $120,000 Total Staffing (FTE): 0.50

Organization Support

Board of Supervisors: Provide high quality staff support to maximize Board effectiveness. Includes activities such as implementation of Board policy, sound financial planning through annual preparation and regular review of the County budget, labor relations, preparing the weekly Board agenda, responding to requests for information, and resolving citizen complaints, etc.

County Departments: Provide high quality staff support to maximize county department effectiveness. Includes activities such as providing policy analysis and guidance, troubleshooting, and keeping departments up to date on important issues.

Total Expenditures: $1,612,199 Total Staffing (FTE): 10.00

Organizational Effectiveness

Represents efforts geared toward creating a high performance “results oriented” County organization. Includes activities such as promoting strategic planning, goal setting, and performance measurement throughout the organization and encouraging continuous improvement through a regular organizational review process (e.g. the organizational effectiveness cycle process).

Total Expenditures: $50,000 Total Staffing (FTE): 0.50

DEPARTMENT COMMENTS

As an agent of the Board of Supervisors, The Administrative Office is responsible for implementing Board policies, coordinating the operations of County departments, and preparing the County's budget. In turn, the Administrative Office is also responsible for making recommendations to the Board of Supervisors which promote the efficiency and effectiveness of County operations. In addition to the day-to-day responsibilities and operations of the department, the Administrative Office continues to focus its resources on several major initiatives, including: an overhaul of the County's labor relations program, and improving communication with community stakeholders by enhancing the transparency of County government.

In recognition of the fact that productive public engagement can contribute to the effective administration of County services, the Administrative Office is also focused on enhancing communication with County residents and stakeholders. A variety of initiatives, including the creation of the County's first Annual Report in 2010 and updates to the budget document to enhance its readability and usefulness for the general public are geared towards encouraging more robust communication between County government and the community. The foundations built by these initiatives were improved upon in FY 2011-12 by the creation of an enhanced Annual Report, continued improvements to the budget document and the creation of a social media outreach initiative.

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

- Led communitywide redistricting efforts to incorporate the results of 2010 Census data to adjust Supervisorial District boundaries to ensure balanced legislative representation.
- Created the County's second Annual Report, building on lessons learned the previous year, to better educate and inform residents and stakeholders about the services and programs the County provides.
- Completed implementation of a new automated agenda management software system which will reduce the environmental impacts of producing Board agendas and save up to $20,000 annually in paper costs.
- Worked with the Economic Vitality Corporation, the Board of Supervisors, and County Departments to help ensure successful implementation of the Countywide Economic Development Strategy.
- Completed fiscal negotiations regarding the two new solar plants proposed for the Carrizo Plains to ensure the incremental costs of providing services to the facilities are covered.
- Led budget process and created plans and recommendations for closing a $2 million budget gap for FY 2012-13 that minimizes impacts to programs and services and meets the Board's priorities.
- Worked with General Services, Animal Services and a local architectural firm to design an expansion and remodel of the Animal Shelter to improve conditions for the animals and implement

FY 2012-13 Objectives

- Continue to coordinate the programs and services provided by multiple departments to ensure that the County is able to provide vital services to residents despite budget cuts of $80 million over the past 5 fiscal years.
- Continue to implement updates and improvements to the budget document to reflect mandated changes to the State schedules and make budgetary information more accessible to the public and other interested readers.
- Complete the implementation of a second tier pension plan, pension cost sharing, and a new method for determining appropriate salary adjustments for County employees to ensure financial stability. To date, annual savings of $25 million have been achieved.
- Coordinate resources from Planning & Building, General Services Agency and Public Works departments to implement measures outlined in the EnergyWise plan to reduce green house gas emissions pursuant to AB 32 – the Global Warming Solutions Act of 2006.
- Continue to increase efforts to connect the public with County government through the creation and implementation of a comprehensive social media plan.
- Continue to work with the State and Sheriff's Office to coordinate the construction of a new women's jail and jail medical facility, using $25.1 million worth of State lease revenue bonds.

Humane Society recommendations.

- Completed Five Year Capital Improvement Plan with General Services Agency and Public Works Department to guide the planning and development of larger capital and major maintenance projects to improve existing and provide new infrastructure and facilities.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget includes $1,667,963 of General Fund support, a reduction of $34,040 or 2% from FY 2011-12 adopted levels. Salaries and benefits are budgeted to have a minimal increase of $4,031 while services and supplies accounts will be reduced $38,044 or 18%. The reductions in services and supplies were achieved through a decline in reprographics charges of $4,148 or 13% as the result of early gains from the implementation of the paperless automated agenda management system. Additionally, insurance costs decreased $20,630 or 41% due to the diminishing impact of prior settlements on the insurance premium.

BOARD ADOPTED CHANGES

None.

GOALS AND PERFORMANCE MEASURES

Department Goal: To ensure the long-term financial stability of the County.

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

1. Performance Measure: Ratio of General Fund backed annual debt service to the annual General Fund budget.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
2.9%	2.8%	3.5%	3.5%	3.5%	3.4%	3.5%

What: This measure shows the ratio of the General Fund backed annual debt service to the annual General Fund budget.

Why: This measure provides staff, the Board and public with information about the financial health of the County. The current goal is to keep the ratio below 5%. This measure is an industry standard that allows for a comparison amongst governmental entities.

How are we doing? A ratio under 5% is considered to be favorable by bond rating agencies. The ratio increased during FY 2009-10 due to the refinancing of Pension Obligation Bonds and a shrinking General Fund. This ratio is projected to remain constant as none of the debt obligations are scheduled to be paid off, and no new debt is currently planned.

Department Goal: To ensure the long-term financial stability of the County.

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

2. Performance Measure: Ratio of total contingencies and reserves to the County's General Fund operating budget.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
New Measure	New Measure	17.1%	20.8%	20%	20.5%	20%

What: This measure shows how much money the County has in "savings" relative to our daily, ongoing expenses.

Why: The measure provides staff, the Board and public with information on the financial health of the County. Our goal is to have a prudent level of savings that allows us to plan for future needs and "weather" economic downturns. The industry standard target is to have a 20% reserve/contingency as a percent of the operating budget.

How are we doing? This measure reflects the total amount of contingencies and reserves that could be accessed by the General Fund (some contingencies and reserves are restricted in use and are not available for use in the General Fund). It is worth noting that while many of the reserves are technically available to be used by the General Fund, many are planned to be spent on various projects (e.g. new Women's jail, expanded juvenile hall).

Department Goal: To provide high quality staff support in an effort to maximize the effectiveness of the Board of Supervisors.

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

3. Performance Measure: Percentage of Board members who respond to a survey indicating that Administrative Office staff provide satisfactory or better agenda support.

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

What: The County Administrative Office surveys the Board of Supervisors annually to determine their level of satisfaction with our staff support relative to the accuracy, readability, and overall quality of the agenda reports.

Why: The information gained from this survey allows us to continuously improve staff support to the Board.

How are we doing? Based upon results of the survey conducted in September 2011 the Administrative Office is meeting or exceeding the expectations of the Board members.

Department Goal: To provide high quality staff support in an effort to maximize the effectiveness of County departments and the Board of Supervisors.
Communitywide Result Link: ☐ Safe ☐ Healthy ☐ Livable ☐ Prosperous ☒ Well-Governed Community

4. Performance Measure: Percentage of departments who respond to a survey indicating the Administrative Office staff provides satisfactory or better support services.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
100%	N/A	98%	98%	100%	100%	100%

What: The County Administrative Office surveys departments and the Board of Supervisors annually to determine their level of satisfaction with our staff support relative to accuracy, responsiveness, responsibility, timeliness and trustworthiness. The survey was revised to solicit additional feedback in FY 2010-11.

Why: The information gained from this survey allows us to continuously improve our service to departments and the Board.

How are we doing? Based upon results of the survey conducted in February 2012 the Administrative Office is providing satisfactory or better support services to departments.

Department Goal: To create an environment whereby all employees feel valued and are proud to work for the County.

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

5. Performance Measure: Percentage of employees that indicate in a biannual workforce survey overall satisfaction with their job.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
Next Survey in FY 2008-09	TBD- Survey Delayed	TBD- Survey Delayed	TBD- Survey Delayed	TBD	TBD- Survey Delayed	TBD- Survey Delayed

What: The County Administrative Office administers a survey to all permanent County employees in order to gauge their overall level of satisfaction with their job.

Why: This information will be used to help assess our organizational health and identify areas for improvement.

How are we doing? The Employee Opinion survey was last administered in December 2006. Overall, a total of 1,452 usable responses were received – a 63% response rate. Of these, 1,346 employees (93%) indicated their level of agreement with the statement "I am satisfied with my job." – 53% indicated that they strongly agreed with this statement, 32% somewhat agreed, 7% neither agreed or disagreed, 6% somewhat disagreed, and 2% strongly disagreed. Therefore, 85% of the County employees responding to this statement in the survey indicated they were satisfied with their job. The County's goal is to sustain this high level of job satisfaction despite the financial challenges facing the County over the next few years, and the expected turnover due to retirement of our aging workforce. However, given staff and resource constraints, administration of the next Employee Opinion survey will be deferred (timing TBD).

Department Goal: To create an environment whereby all employees feel valued and are proud to work for the County.

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

6. Performance Measure: Full-time equivalent Administrative Office budget analyst staff per 1,000 county employees.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
1.54	1.55	2.45	2.49	2.49	2.51	2.51

What: This shows Administrative Office budget staffing per 1,000 county employees.

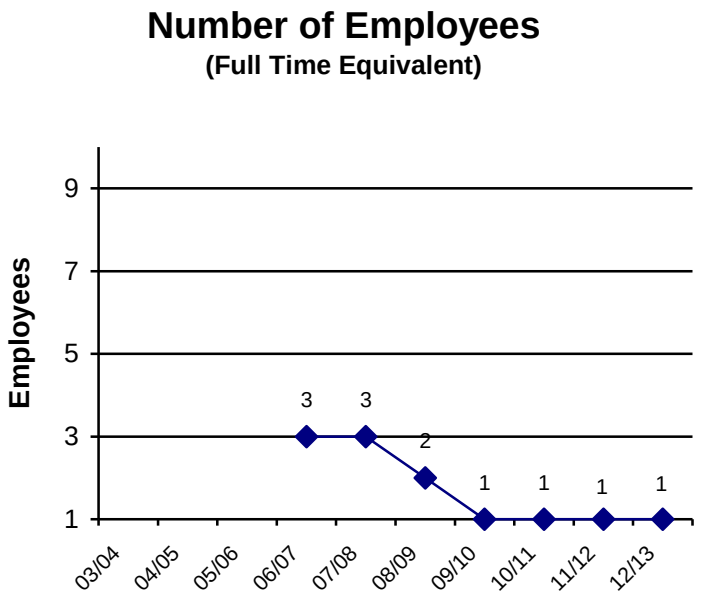
Why: This data can be compared with other Administrative Offices of similar characteristics to provide one measure of whether we are appropriately staffed for budget preparation and administration.

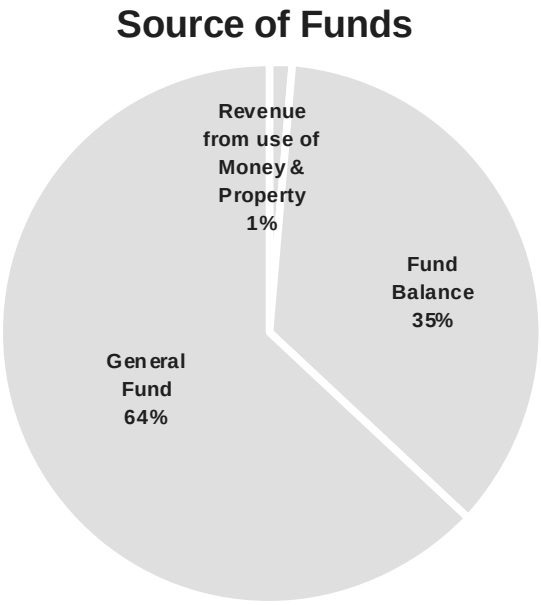
How are we doing? The total FTE budget analyst staffing levels per 1,000 employees for our comparable counties ranges from a high of 3.81 in Napa County to a low of 1.34 in Santa Barbara County. This ratio increased In FY 2009-10 due to a reorganization that resulted in the downgrading of a Principal Analyst position to an Administrative Analyst position. The Principal Analyst position had not been part of this measure, and this restructuring resulted in an annual cost savings of approximately $50,000. The average ratio of analysts per 1,000 employees was 2.32 for comparable counties, and 2.51 for San Luis Obispo County.

MISSION STATEMENT

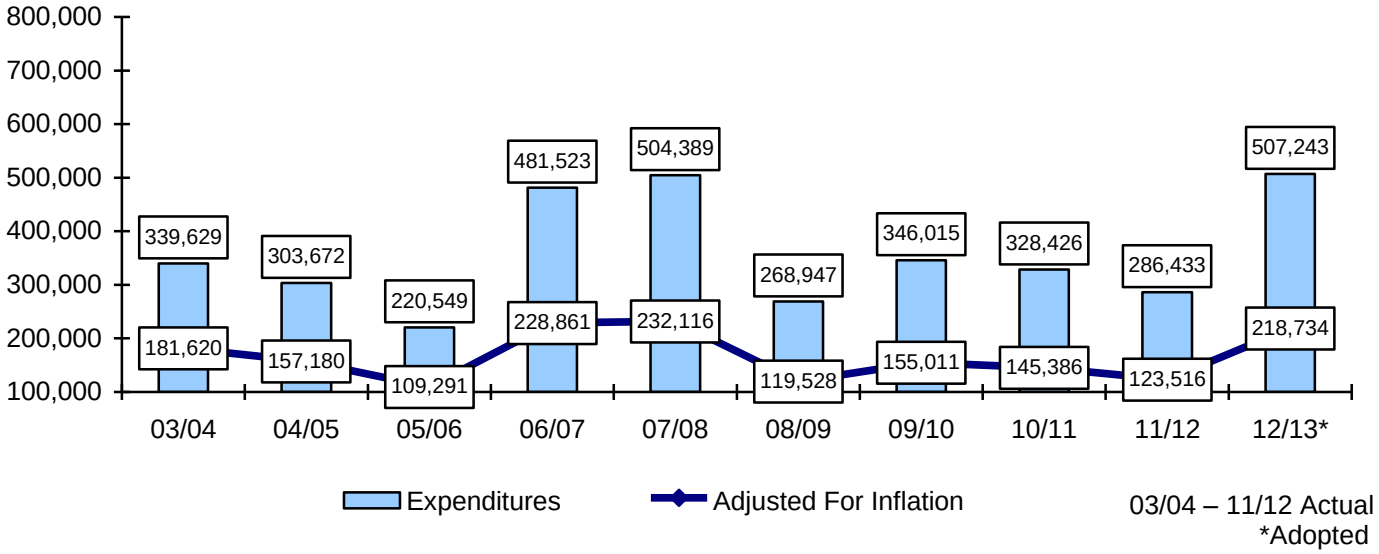
To continuously improve the quality and effectiveness of services provided to the public through strategic planning, organizational reviews, leadership development and staff training in support of the County's organizational goals and objectives.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Revenue from Use of Money & Property	$ 7,686	$ 9,047	$ 10,000	$ 10,000	$ 10,000
Other Financing Sources	0	492,166	450,000	450,000	450,000
Total Revenue	$ 7,686	$ 501,213	$ 460,000	$ 460,000	$ 460,000
Fund Balance Available	$ 142,717	$ 146,382	$ 202,100	$ 202,100	$ 252,558
Cancelled Reserves	392,297	179,123	0	0	0
Total Financing Sources	$ 542,700	$ 826,718	$ 662,100	$ 662,100	$ 712,558
Total Financing Sources	$ 0	$ 128	$ 0	$ 0	$ 0
Salary and Benefits	0	29,771	78,012	78,012	78,012
Services and Supplies	258,426	256,534	429,231	429,231	429,231
Other Charges	70,000	0	0	0	0
Fixed Assets	0	0	0	0	0
Gross Expenditures	$ 328,426	$ 286,433	$ 507,243	$ 507,243	$ 507,243
Contingencies	0	0	0	0	0
New Reserves	38,422	311,686	154,857	154,857	205,315
Total Financing Requirements	$ 366,848	$ 598,119	$ 662,100	$ 662,100	$ 712,558





10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Organizational Development has a total expenditure level of $507,243 and a total staffing level of 1.00 FTE to provide the following services.

Organizational Development

Provides educational and career development for employees, as well as facilitation, mediation and specialized training for County departments.

Total Expenditures: $507,243 Total Staffing (FTE): 1.00

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The Organizational Development program was established to develop and implement initiatives or services in support of a high performance organization. This year's initiatives have included:

- Provided funding for an in-depth review of the current airport governance structure and recommendations for future airport governance for the San Luis Obispo County Regional Airport.
- Deployed core supervisory skill trainings relating to performance standards, performance measurement, and progressive disciplinary strategies.
- Contracted with Santa Barbara County's Employee University to provide public service, ethics and leadership courses to all County supervisors and managers.

The recommended budget for FY 2012-13 includes $450,000 in General Fund support. This is a decrease of $42,166 or 8% from FY 2011-12. However, FY 2011-12 was the first year this fund center had received any General Fund support since FY 2007-08, it had been existing solely through the use of reserves and designations. The recommended budget includes reserves and designations in the amount of $1,875,828, an increase of $154,857 or 9% from adopted FY 2011-12.

$202,100 in fund balance will be used in addition to the General Fund support to provide a total appropriation level of $507,243. This is a decrease of $18,742 or 3% from FY 2011-12 adopted levels, which is mainly attributed to a $16,560 or 17% decrease is salaries and benefits due to staffing at lower than previously budgeted levels.

- Approximately $160,000 is allocated for consultants who conduct various training sessions.
- Approximately $194,000 is allocated for HR and Administrative Office staff who support these programs.
- $55,000 is allocated to reimburse County employees for tuition expenses incurred via external training programs.
- Approximately $80,000 is allocated for services relating to departmental reorganizations and training.
- The balance of funds are allocated for equipment and supply costs.

BOARD ADOPTED CHANGES

Fund balance available ended FY 2012-13 $50,458 over prior estimates. This sum was added to the Organizational Development General Reserve, increasing reserves and designations to $1,926,286.

GOALS AND PERFORMANCE MEASURES

Department Goal: To ensure that training opportunities aimed at creating a competent, results-oriented workforce are made available to County employees.

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

1. Performance Measure: Overall average participant satisfaction rating (on a 5 point scale) of training programs offered by the Employee University.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
4.5	4.6	4.6	4.6	4.6	4.6	4.6

What: Provides data on participant overall satisfaction with Employee University training courses (on a scale of 1-5 with 1 = “poor” and 5 = “outstanding”). This is the first level of program evaluation.

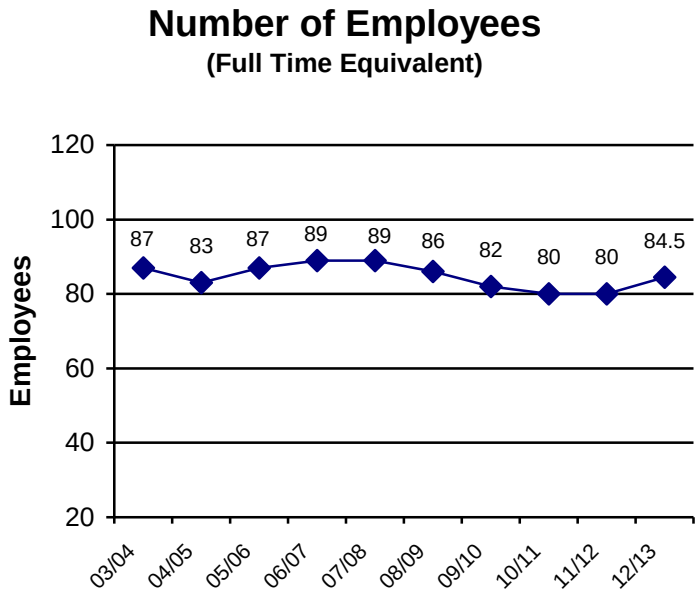
Why: This data provides information on how satisfied participants are with the training programs offered by the Employee University.

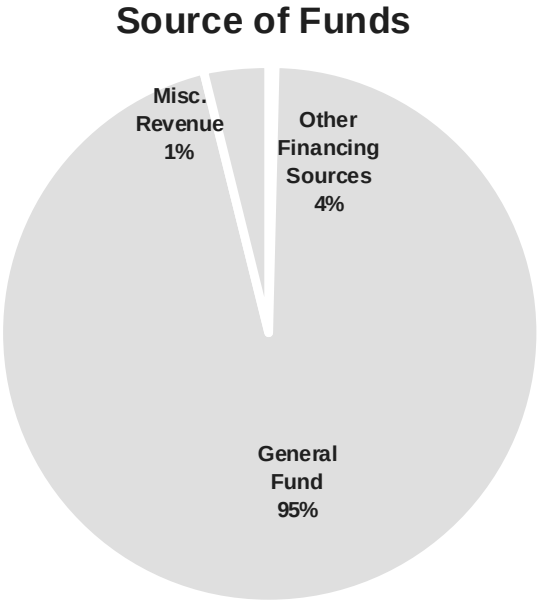
How are we doing? Current results indicate that overall, County employees who participated in these classes are highly satisfied with the classes they attended.

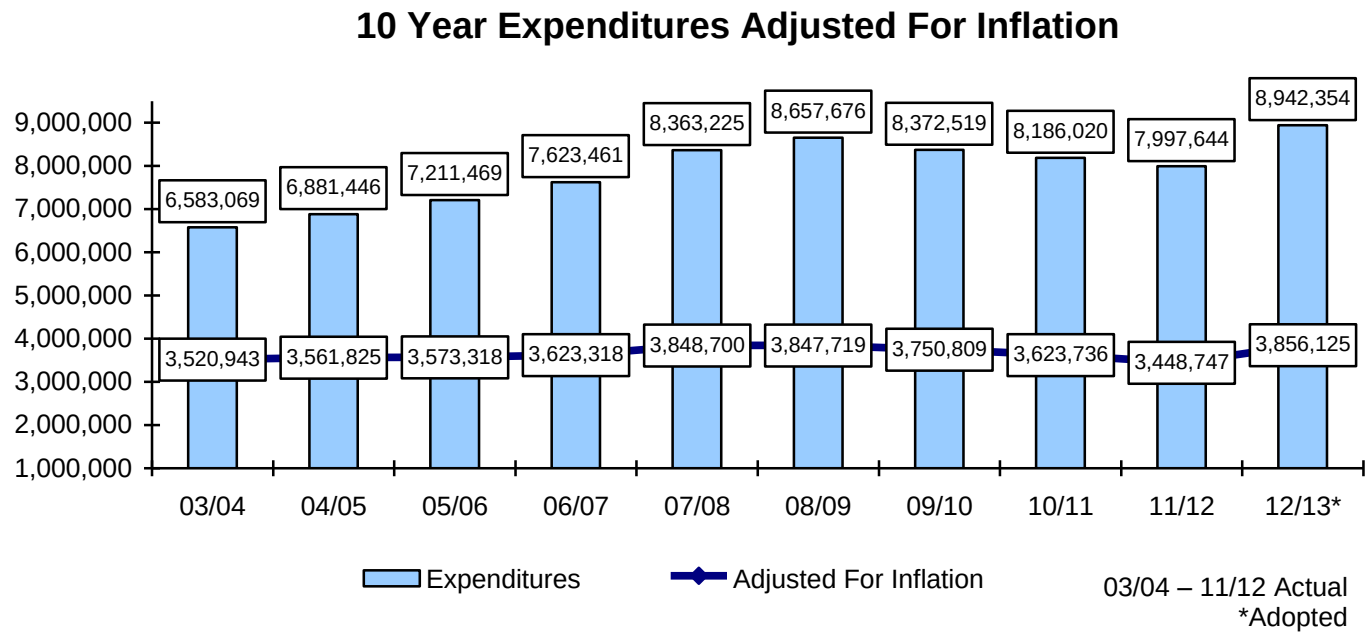
MISSION STATEMENT

The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect, and teamwork.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Intergovernmental Revenue	$ 465	$ 276	$ 4,800	$ 4,800	$ 4,800
Charges for Current Services	16,691	26,733	28,000	28,000	28,000
Other Revenues	899	220	0	0	0
Other Financing Sources	0	0	0	372,913	372,913
Interfund	622	628	0	0	0
**Total Revenue	$ 18,677	$ 27,857	$ 32,800	$ 405,713	$ 405,713
Salary and Benefits	7,441,529	7,282,391	7,763,061	8,110,974	8,110,974
Services and Supplies	744,491	707,309	808,546	808,130	808,130
Fixed Assets	0	7,944	23,250	23,250	23,250
**Gross Expenditures	$ 8,186,020	$ 7,997,644	$ 8,594,857	$ 8,942,354	$ 8,942,354
Less Intrafund Transfers	24	766	0	0	0
**Net Expenditures	$ 8,185,996	$ 7,996,878	$ 8,594,857	$ 8,942,354	$ 8,942,354
General Fund Support (G.F.S.)	$ 8,167,319	$ 7,969,021	$ 8,562,057	$ 8,536,641	$ 8,536,641







SERVICE PROGRAMS

The Assessor has a total expenditure level of $8,942,354 and a total staffing level of 84.50 FTE to provide the following services:

Administration

Oversee the preparation of all property assessments, manage human resource functions and issues, coordinate office operations, develop and monitor the department's budget, coordinate accounts payable and payroll.

Total Expenditures: $983,659 Total Staffing (FTE): 6.00

Assessment Valuation, Reviews, and Appeals

Review and assess the value of secured real property (i.e. land and buildings) when there is a change in ownership, new construction, decline in market value, disaster relief, and other appraisal events; and update property attributes. Review, audit, and assess the value of unsecured business property (i.e. business equipment, boats, aircraft, etc.). Review and make recommendations to the Assessment Appeals Board for all assessment appeals submitted by property owners.

Total Expenditures: $3,666,365 Total Staffing (FTE): 34.00

Assessment Standards/Automation

Analyze and track legislation pertaining to property taxes; develop and implement procedures upon passage of new legislation; compile and deliver internal and state mandated reports to appropriate agencies; oversee training for staff; implement and monitor the automated systems within the Assessor's office. Process and track all assessment appeals.

Total Expenditures: $1,162,506 Total Staffing (FTE): 10.00

Public Service

Provide information to the public regarding property assessments and property tax laws in person, over the telephone, and by written communication including pamphlets, public service announcements, the Internet, and annual notifications, etc.

Total Expenditures: $536,541 Total Staffing (FTE): 6.00

Roll Preparation

Update and maintain property assessment records. This includes creating and maintaining property parcel maps, verifying and updating ownership data when property ownership is altered, maintaining exemptions, updating valuation data, processing revised assessments, maintaining the supplemental tax records, and other functions.

Total Expenditures: $2,593,283 Total Staffing (FTE): 28.50

DEPARTMENT COMMENTS

The Assessor is constitutionally responsible for locating taxable property, identifying ownership, and determining the value of real and business/personal property within the County of San Luis Obispo. In addition, the Assessor is mandated to complete an annual assessment roll reporting the assessed values for all properties within the County which includes administering lawfully established exemptions that benefit property owners. The Assessor must also maintain a current mapping and ownership database for the public.

As the department prepares to move into FY 2012-13, it is faced with a challenging combination of issues. First, the decline in property values which started several years ago continues to amplify the Assessor's Office workload. It is anticipated that the increase in work items stemming from the weak real estate market will continue well beyond FY 2012-13. Automation is another challenge. FY 2012-13 is the first year of a multi-year project to modernize the existing property tax system. When the Property Tax System Modernization project is underway, the Assessor's staff will be involved in testing the system's functionality as well as the accuracy of the data. This is anticipated to be an intense and time consuming effort for a number of staff. Finally, an initiative has been proposed to mandate a Split Roll. A split roll would remove some properties from the protection of Prop 13. The initiative proposes the cyclical re-assessment of non-residential properties. If this initiative becomes law, major programming changes would be necessary, and the department would be faced with an additional increased workload.

While the department prepares to address the issues noted above, it is also preparing to manage the anticipated retirements of many well trained and knowledgeable staff, as approximately 60% of the Assessor's staff will be eligible to retire within the next five years. The department is taking steps to prepare for a smooth succession of staff. In an effort to mitigate the impacts of upcoming turnover, the department is: working to improve the screening criteria used for recruitments to assure selection of candidates possessing the proper skill sets and career goals compatible with the office's needs, revamping training programs to accelerate employee development, and working to expand the documentation of the Assessor's office policies and operating procedures to assure the effective continuation of this information.

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

- Began scanning new Home Owners' Exemption Claims in April 2012. There are approximately 2,500 claims filed each year and scanning these documents will reduce the storage space needed for the claims.

FY 2012-13 Objectives

- Participate in the Property Tax System Modernization Project. The Assessor's staff will be heavily involved in testing and implementing the new system. It is estimated the project will take two and a half years to complete.

- Resolved 182 assessment appeals in the first half of FY 2011-12, which resulted in $98,086,700 of assessed value being retained on the assessment roll. A new assessment appeal system will be implemented by the end of the fiscal year.
- Entered 100% of the property attributes for residential properties into the Attribute Inventory Rewrite (AIR) system which provides more accurate property descriptions and ensures the quality of the valuation process.
- Met the mandated annual education requirements for 36 staff members certified by the Board of Equalization.
- Step up efforts to document all procedures and implement more staff training as part of succession planning efforts to develop the skills of all employees and help to ensure smooth transitions among staff.
- Expedite the creation of Assessor Parcel Maps in the Geographic Information Systems (GIS). This will improve the accuracy of the base map and enhance the efficiency in maintaining the GIS parcel layer.
- Implement all new legislation pertinent to property taxes and assessment practices.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to increase $60,988 or less than 1% compared to the FY 2011-12 adopted level. Revenues are recommended to increase $374,276 or 1,190% and total expenditures are recommended to increase $435,264 or 5%.

Revenues are recommended to increase largely due to a $372,913 transfer in from Fund Center 266- Countywide Automation Replacement to offset the cost of the recommended addition of 4.5 FTE limited term positions needed for the Property Tax System Modernization project.

Salary and benefits are recommended to increase $337,025 or 4% due largely to the recommended addition of the 4.5 FTE limited term positions (1.0 FTE Appraiser, 2.0 FTE Assessment Analysts, and 1.5 FTE Assessment Technicians) to backfill for existing staff who will be involved in the Property Tax System Modernization project (see discussion and budget augmentation request below). In addition, the recommended reclassification of one Appraiser to an Assessment Analyst position contributes to some of the increased salary and benefits cost. This reclassification is the result of a classification study performed by Human Resources in response to a request submitted by the incumbent during the 2011 reclassification open window period. This reclassification has no net impact to the number of staff in the department. Recommended changes to the department's Position Allocation List (PAL) include:

- - 1.0 FTE Appraiser I/II/III
- +1.0 FTE Assessment Analyst I/II/III
- +1.0 FTE Limited Term Appraiser I/II/III
- +2.0 FTE Limited Term Assessment Analyst I/II/III
- +1.5 FTE Limited Term Assessment Technician I/II/III

The salary and benefits increases discussed above are partially offset by a recommended $25,000 reduction associated with the use of voluntary time off (VTO) that department staff has pledged to take throughout the fiscal year in an effort to meet the department's cut target. The $25,000 reduction equates to 600 hours of staff time, which will impact the workload in virtually every section of the department. As the department indicates above, the number of decline in value assessment requests and assessment appeals that must be processed and resolved by staff continues to increase in the down economy. The reduction in capacity due to the use of VTO will decrease productivity through the entire office and will place $1,400,000 worth of assessed value (which equates to $3,360 worth of property tax revenue to the County) at risk.

Services and supplies are recommended to increase $82,489 or 11%, due largely to the need to replace aging automation. Funds for computer software are recommended to increase $36,645, to be used to upgrade all of the computers in the department to the same version of Microsoft Office so that the computers can more effectively interface with the automated Assessment Evaluation Services (AES) program that the department uses in conducting property assessments. Significant value purchase is increasing by $41,300, for the replacement of a

large number of computers, in line with Information Technology's computer replacement guidelines. Additionally, postage costs are recommended to increase by $10,000 due to increased postal fees and the anticipated uptick in the real estate market which will increase the number of supplemental notices being mailed out. Recommended reductions to services and supplies include an $11,167 reduction to fleet related charges which reduces the department's fleet by three vehicles. This reduction to the department's fleet will not pose any service level impacts, as the department has indicated that it can find ways to more efficiently use the remaining vehicles.

Fixed assets are recommended to increase $15,750 or 210% due to the necessary purchase of a replacement copier, replacement scanner, and rotary filing units to accommodate assessment files that are currently exceeding the capacity of existing shelving units, causing damage to the files and potential instability of the units.

Aside from the workload impacts that the use of VTO will pose, it is not anticipated that the department will suffer any service level impacts as a result of the reductions recommended in FY 2012-13.

The budget augmentation request (BAR) submitted by the Assessor's Office requesting 4.5 FTE limited term positions for the Property Tax System Modernization Project is recommended for funding. The recommended limited term positions will be used to backfill for existing staff who will be assigned to the project. The modernization project will move the County's current property tax system from the existing mainframe system to a new computing environment that will provide up-to-date and more widely supported software tools and maintenance tools. The entire project is estimated to cost $5 million and was approved by the Information Technology Department Executive Steering Committee (ITD-ESC) in two phases. Phase 1 activities included the development of a request for proposal (RFP) and subsequent contract with a vendor experienced in providing the tools, software and expertise necessary to successfully complete the modernization of the property tax system. The $1,577,000 expense for Phase 1 of the project was funded in the FY 2011-12 budget. Phase II will begin in FY 2012-13 and consists of the hiring of limited term positions for the Assessor, Treasurer-Tax Collector and Auditor-Controller's Office. Staff from the three departments are essential to the design, development and testing of the new computing environment for the Property Tax System.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
Gross: $372,913 for FY 2012-13 General Fund Support: $0 Source of Funding: FC 266-Countywide Automation Replacement Fund (funded with Tax Loss Reserve funds)	Add 1.0 FTE Limited Term Appraiser, 2.0 FTE Limited Term Assessment Analysts and 1.5 FTE Limited Term Assessment Technician to backfill for existing staff who will be assigned to the Property Tax System Modernization project. The project is anticipated to last approximately 2.5 years. The requested positions are limited term and are planned to be eliminated at the end of the project.	The Property Tax System Modernization Project will: 1. Reduce annual mainframe hardware and software operating costs by $400,000 2. Avoid system obsolesce by moving a critical set of applications, commonly described as the Property Tax System, from the mainframe to a more modern application and system development environment 3. Move Property Tax system data to a modern database 4. Position the County to provide additional Property Tax related services electronically or on-line; and, 5. Extend the life of the current system by a minimum of 10 years.

BUDGET AUGMENTATION REQUESTS NOT ADOPTED

Unit Amount	Description	Results
Gross: $58,375 General Fund Support: $58,375	Add 1.0 FTE Appraiser Trainee to the Assessor's PAL to address the department's growing workload due to the downturn of the real estate market which has increased the number of assessment reviews and appeals and Prop 8 "Decline in Value" reviews that the department must conduct. This requested position would be assigned to performing valuations of new construction and changes to ownership, to help reduce the backlog that currently exists.	It is estimated that the position would address 700 work items a year, which equates to approximately $219,000 in additional property tax revenue getting enrolled on time (of which the County's share is $52,565).
Gross: $76,993 General Fund Support: $76,993	Add 1.0 FTE Cadastral Mapping Systems Specialist to the Assessor's PAL to address existing mapping workflow bottlenecks and assist with migrating all of the Assessor's mapping/parcel information to the Geographic Information System (GIS) environment.	Improved accuracy and more efficient maintenance of maps that are used by County departments and the public.

GOALS AND PERFORMANCE MEASURES

Department Goal: To levy fair and equitable assessments on taxable property in an accurate and timely manner by using accepted appraisal principles and prevailing assessment practices.

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

1. Performance Measure: Percentage of the assessment roll completed by June 30th of each year.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
98%	98%	96%	97%	95%	91%	97%

What: Measures the percentage of assessments that are appraised before the June 30th deadline.

Why: Incomplete assessments will generate inaccurate tax bills. When assessments are completed after the year-end deadline, the Assessor, Auditor-Controller, and Tax Collector must process revised assessments and tax bills. These revisions increase the costs of preparing the assessment roll and the costs associated with property taxes. In addition, property owners are inconvenienced by revisions to their assessments and the associated delays.

How are we doing? The percentage of the completed assessment workload was 91% which is below where it has been in prior years with 7,600 work items incomplete. This was due to the increase in assessment reviews and appeals related to the decline in market values. Most of the increase was in commercial properties which are more time consuming to appraise, and are not appraised using automated programs such as the Assessment Evaluation Services (AES) program. Another factor was the numerous vacancies caused by leaves of absence, retirements, and delays in the recruitment process. The loss of organizational knowledge due to the retirement of long term staff also adversely impacted the completion of the assessment roll. To offset the adverse impacts on the workload, staff worked overtime and the deadline to turn the assessment roll over to the Auditor-Controller was delayed by one week. These efforts averted an even larger backlog of incomplete items. The 7,600 incomplete work items will delay the start of the FY 2012-13 workload, and create an obstacle to the timely completion of the assessment roll.

2. Performance Measure: The number of completed assessments per appraiser on staff.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
2,561	3,044	3,072	3,603	3,000	3,531	3,200

What: This measurement tracks the workload per appraiser from year to year.

Why: Tracking changes in workload is an indicator of changes in production levels as new procedures or automated systems are introduced, and helps to evaluate the efficiency of departmental procedures and service to the public.

How are we doing? While staff exceeded the FY 2011-12 Adopted target, the FY 2011-12 Actual Results were lower than the FY 2010-11 Actual Results. This decline is partially attributed to the decline in value reviews for commercial properties as mentioned above. The increase in the number of Assessment Appeals also hindered the appraisers' overall production. Assessment Appeals require numerous contacts with the applicants and additional research which causes the appeal workload to be much more time consuming.

Department Goal: To provide high quality services to the public and taxpayers.

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

3. Performance Measure: The number of assessment appeals filed for every 1,000 assessments.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
.78	1.8	1.8	2.96	4.5	6.0	3.5

What: When property owners disagree with their property's assessed value, they may file for an assessment appeal hearing before the Assessment Appeals Board. The number of real property appeals is used as an indicator of accuracy and equity among assessments. A low number of appeals is associated with a greater degree of accuracy and the property owner's satisfaction with their assessments.

Why: The Assessor strives to make accurate and thorough assessments when property is initially valued in an effort to control the costs associated with producing the assessment roll. This measure enables the department to track accuracy and equity among assessments.

How are we doing? During FY 2011-12, the assessment appeal workload grew substantially as a result of a weak real estate market. Not only was there an increase in the number of new assessment appeals filed, there was a substantial number of appeals from the previous year that were resolved in FY 2011-12. The FY 2011-12 Actual Results increased to 6 appeals per 1,000 assessments which is double the FY 2010-11 Actual Results. At this time the data for comparable counties is not available. However, based on the most recent State Board of Equalization (BOE) "Reports on Budgets, Workloads, and Assessment Appeals Activities" for FY 2010-11, our assessment appeal workload is consistent with the number of appeals in comparable counties.

4. Performance Measure: Cost per assessment.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
$45.89	$47.33	$46.01	$45.08	$49.00	$43.75	$47.00

What: This measures the cost per assessment by dividing the department's level of General Fund support by the total number of assessments.

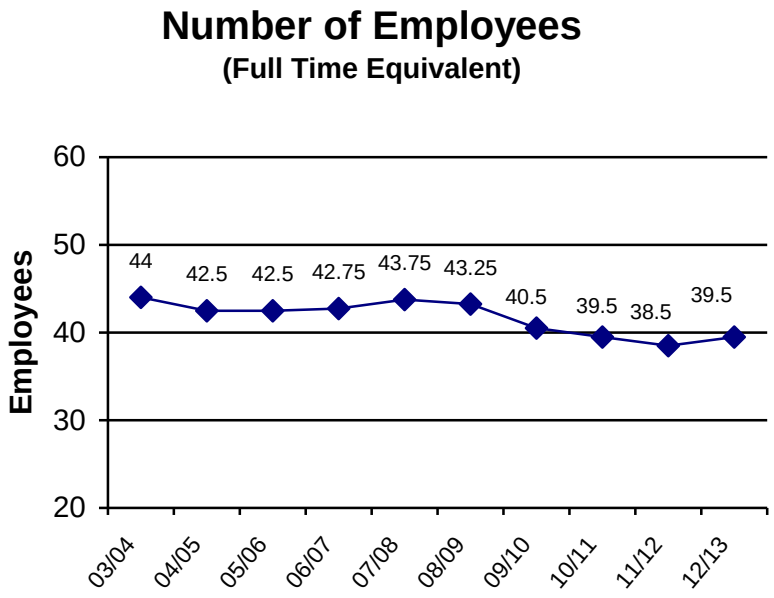
Why: The Assessor's Office strives to make the most effective use of all available resources in order to produce assessments at a reasonable cost.

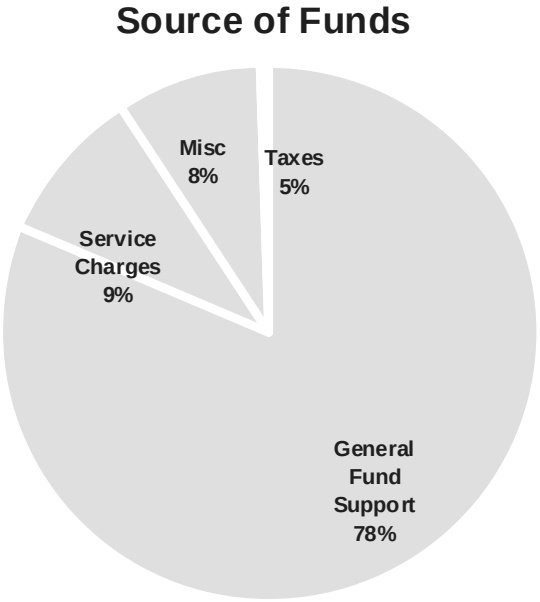
How are we doing? For FY 2011-12, the cost per assessment was less than the FY 2010-11 Actual Results and the FY 2011-12 Adopted. Budget cuts are reflected in the decreasing costs per assessment for FY 2009-10 and FY 2010-11 and the decreased costs reflect improved efficiencies. However, the most recent decrease, reflected in the FY 2011-12 Actual Results is not solely a continuation of this trend of improved efficiency. Significant salary savings accrued during the year due to an unusually high number of vacancies, as well as employees on extended leaves. It is not anticipated that the Actual Results for FY 2011-12 will be repeated in the future, nor would funding at such a low level be considered acceptable. The unusually large number of vacant positions caused a staff shortage, and this caused a significant number of incomplete assessments for the year. The State Board of Equalization's "Report on Budgets, Workloads, and Assessment Appeals Activities" for FY 2010-2011 (published in February 2012) indicates the San Luis Obispo County Assessor's costs were below our comparable counties. During that time period, the median cost per assessment for comparable counties was $47.89.

MISSION STATEMENT

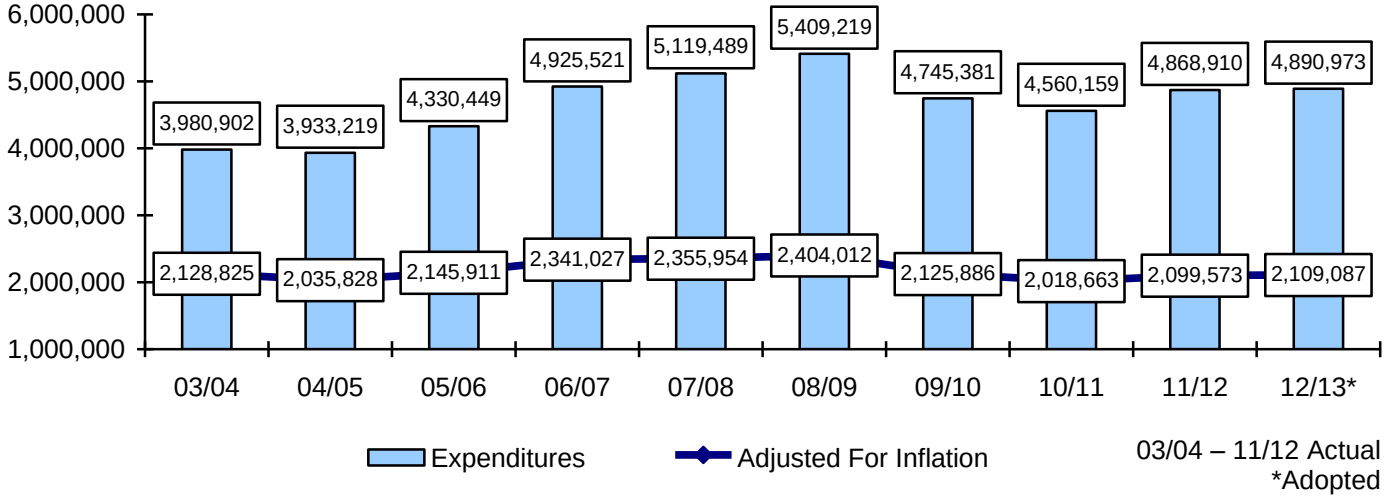
The Auditor-Controller is the Chief Accounting Officer for County government. The office enhances the public's trust by acting as the guardian of funds administered for the County, cities, schools and special districts and by providing an independent source of financial information and analysis.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Taxes	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Fines, Forfeitures and Penalties	31,146	32,522	26,500	101,500	101,500
Intergovernmental Revenue	18,093	16,527	17,000	17,000	17,000
Charges for Current Services	437,171	490,602	441,128	441,128	441,128
Other Revenues	11,068	32,544	33,300	33,300	33,300
Other Financing Sources	0	407,301	0	212,000	212,000
Interfund	30,000	30,000	30,000	30,000	30,000
**Total Revenue	$ 777,478	$ 1,259,496	$ 797,928	$ 1,084,928	$ 1,084,928
Salary and Benefits	4,249,658	4,240,122	4,493,913	4,628,481	4,628,481
Services and Supplies	280,611	224,294	225,992	227,492	262,492
Fixed Assets	29,890	404,494	0	0	0
**Gross Expenditures	$ 4,560,159	$ 4,868,910	$ 4,719,905	$ 4,855,973	$ 4,890,973
Less Intrafund Transfers	20,760	17,890	9,400	9,400	9,400
**Net Expenditures	$ 4,539,399	$ 4,851,020	$ 4,710,505	$ 4,846,573	$ 4,881,573
General Fund Support (G.F.S.)	$ 3,761,921	$ 3,591,524	$ 3,912,577	$ 3,761,645	$ 3,796,645





10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Auditor-Controller's Office has a total expenditure level of $4,890,973 and a total staffing level of 39.50 FTE to provide the following services:

Accounts Payable

Pre-audit all claims for payments to vendors submitted by County departments and process payments for special districts. Coordinate payment activity with and provide oversight and direction to departments and vendors. Prepare annual reports required by the State and the Internal Revenue Service.

Total Expenditures: $394,502 Total Staffing (FTE): 4.25

Internal Audit Division

Perform mandated internal audits for compliance with State and Federal requirements. Ensure adequacy of internal controls over cash and County assets. Conduct management and compliance audits and departmental reviews. Audit the operations of public agencies doing business with the County to ensure compliance with policy; assist with the preparation of the County's annual financial statement.

Total Expenditures: $733,268 Total Staffing (FTE): 6.00

Budget and Cost Accounting

Assist the County Administrator and Board of Supervisors in developing the proposed and final County budget. Analyze and forecast annual budget expenditures. Review all county fees. Conduct rate reviews for ambulance, landfill, and internal service fund operations. Prepare countywide cost allocations, state mandated program claims, indirect cost rate proposals and special reporting requests.

Total Expenditures: $234,595 Total Staffing (FTE): 1.25

Deferred Compensation Plan

Provide the resources necessary for the daily operation of the County Deferred Compensation Plan.

Total Expenditures: $35,000 Total Staffing (FTE): 0.00

Financial Reporting

Maintain accounting records for the County and those districts whose funds are kept in the County Treasury. Maintain budget and funds controls and records of fixed assets. Prepare annual financial reports and reports for Federal and State reimbursement; act as Auditor and/or Financial Officer for special districts, boards, authorities, etc. and provide accounting services for countywide debt financing.

Total Expenditures: $807,851 Total Staffing (FTE): 6.00

Payroll Processing

Prepare and process biweekly payroll for the County. Coordinate payroll activity with departments and employees. Prepare biweekly, monthly, quarterly, and annual reports for State, Federal, and local agencies. Collect and pay premiums for County-related health and insurance benefits.

Total Expenditures: $1,190,040 Total Staffing (FTE): 9.75

Property Tax Processing

Calculate property tax rates and determine extensions. Process changes to the tax roll. Apportion and distribute taxes and special assessments to all agencies. Prepare tax reports. Implement procedural changes to reflect new legislation affecting the tax system. Advise cities, schools, and special districts on tax-related matters.

Total Expenditures: $791,369 Total Staffing (FTE): 7.25

Systems Support

Evaluate existing manual accounting systems and make recommendations for improved efficiencies through automation. Maintain the countywide computerized financial, fixed asset, accounts payable, tax, and payroll systems. Assist departments in updating computerized systems. Provide training and prepare manuals related to accounting systems operations. Maintain operation of the Auditor's Local Area Network (LAN) and Personal Computer (PC) network.

Total Expenditures: $704,348 Total Staffing (FTE): 5.00

DEPARTMENT COMMENTS

The Auditor-Controller has primary responsibility for all accounting and auditing functions of County government. This includes all funds, departments, and special districts under the governance of the Board of Supervisors. As Chief Accounting Officer for County government, the Auditor-Controller faces the challenging task of covering a vast range of daily tasks while remaining responsive to emerging needs associated with new mandates, programs, and legislation. We anticipate that changes legislated in response to California's fiscal imbalance will continue to place additional demands on our staff.

In FY 2012-13, Auditor's Office staff plan to focus on two projects that will provide users with enhanced reporting options. The first is often referred to as Posting Actuals to SAP's cost accounting module, and involves posting actual rather than estimated labor costs to the cost accounting module in the system. The second project, Business Intelligence (BI), will expand reporting capabilities by providing a more flexible database reporting environment. Both projects will lead to greater efficiency by reducing the use of duplicate systems, extracts, and work arounds.

The 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

- Implemented multiple changes in the payroll system as required by MOUs between the County and various bargaining units. In addition, completed programming changes that enabled the County to submit Child Support payments to the State electronically.
- Participated in negotiating a fiscal agreement with Sun Power Corporation for the Carissa Plains solar project. The agreement guarantees that the County will receive $8.5 million in sales tax to help mitigate any additional costs the County will incur.
- Prepared audit work papers using automated work paper software. Converting from paper based audit files to electronic work papers allowed staff to streamline the process for managing audits as well as reducing the County's environmental impact.
- Fulfilled requirements stated in the CA Supreme Court's decision to dissolve and wind down Redevelopment Agencies (RDAs). Requirements included conducting an audit of each former RDA's assets and liabilities, calculating the amount of property tax increment that would have been allocated to each RDA, and administering trust funds established for the benefit of holders of former RDA debt.

FY 2012-13 Objectives

- Implement a new process to post actual labor costs to the cost accounting module (CO) in the County's Enterprise Financial System. The process, developed in FY 2011-12, was one of the most requested enhancements to the system. This long awaited improvement will simplify project reporting and eliminate the difference between the amounts posted for labor costs in the budgetary module and CO.
- Roll out Business Intelligence (BI), an SAP database and reporting solution. BI users will be able to create their own ad hoc reports with the option of combining data from various SAP modules and external data sources. An added benefit is that BI will already be in place if the County decides to implement the SAP Public Budget Formation module (PBF). BI is required to support the PBF module.
- Participate in a project to move the property tax system from the mainframe to a new computing environment. Modernization of the property tax system will reduce on-going maintenance and support costs. Once the migration is complete, future system changes and enhancements will be easier. This multi-year project is slated for completion in FY 2014-15.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

General Fund support for FY 2012-13 is recommended to decrease by $73,204 or 1% as compared to FY 2011-12 adopted levels. Overall, revenues are increasing by $314,120 or 40% from FY 2011-12 levels. This increase is due to 1) a $212,000 transfer-in from FC 266 – Countywide Automation to offset the cost of two (2) limited term positions needed for the Property Tax System Modernization project; 2) a $75,000 transfer-in from the department's settlement/judgment trust account to offset the cost of consultants to provide services related to the SAP/payroll system and 3) a $23,360 or 10% increase in the Administrative Services account as the result of the dissolution of the redevelopment agencies within the County.

Overall, expenditures are increasing by $240,916 or 5% from FY 2011-12 adopted levels. Salary and benefit accounts are increasing by $211,544 or 4% as compared to FY 2010-11. This is increase is the result of various adjustments including 1) the elimination of a vacant Account Clerk; 2) budgeting for Voluntary Time Off (VTO) in the amount of $21,368; 3) reducing the budget for overtime and temporary help by a total of $2,000; and 4) the addition of the two (2) limited term positions recommended for the Property Tax Modernization project. Services and supplies accounts are increasing by $29,372 or 14% from FY 2011-12 budgeted amounts primarily due to

budgeting for the SAP/payroll consultant referred to above. There are no service level impacts associated with the recommended budget.

The budget augmentation request (BAR) submitted by the Auditor-Controller requesting two (2) limited term positions for the Property Tax System Modernization Project is recommended for funding. The recommended limited term positions will be used to backfill for existing staff assigned to the project. The modernization project will move the County's current property tax system from the existing mainframe system to a new computing environment that will provide up-to-date and more widely supported software tools and maintenance tools. The entire project is estimated to cost $5 million and was approved by the ITD Executive Steering Committee (ESC) in two phases. Phase 1 activities included the development of a request for proposal (RFP) and subsequent contract with a vendor experienced in providing the tools, software and expertise necessary to successfully complete the modernization of the property tax system. The $1,577,000 expense for Phase 1 of the project was funded in the FY 2011-12 budget. Phase II will begin in FY 2012-13 and consists of hiring of limited term positions for the Assessor, Treasurer-Tax Collector and Auditor-Controller's Office. Staff from these three departments are essential for the design, development and testing of the new computing environment for the Property Tax System.

BOARD ADOPTED CHANGES

During budget hearings, the Board re-allocated funding in the amount of $35,000 for the County's deferred comp administrative fee from FC 106 – Contributions to Outside Agencies to the Auditor- Controller's budget.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
Gross: $212,000 for FY 2012-13 Funding Source: FC 266 – Countywide Automation Replacement Fund (Funded with Tax Loss Reserve Funds)	Add one (1) Limited Term Accounting Technician position and one (1) Limited Term Auditor-Analyst III position to backfill for existing staff assigned to the Property Tax System Modernization Project. The project is anticipated to last approximately 2.5 years. The requested positions are limited term and are planned to be eliminated at the end of the project.	The Property Tax System Modernization Project will: 1. Reduce annual mainframe hardware and software operating costs by $400,000; 2. Avoid system obsolescence by moving a critical set of applications, commonly described as the Property Tax System, from the mainframe to a more modern application and system development environment; 3. Move Property Tax System data to a modern database; 4. Position the County to provide additional Property Tax related services electronically or on-line; 5. Extend the life of the current system by a minimum of 10 years.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide periodic review of the internal controls of County departments to ensure compliance with policies and procedures, and minimize losses from fraud or misappropriation.

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

1. Performance Measure: Number of reviews, special district audits, trust fund reviews, and grant compliance audits performed for County departments.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
30	19	25	17	21	17	20

What: The Internal Audit Division reviews the various offices, funds, and programs each year. Selection is made based on legal mandates, and measures of risk, such as dollar value, complexity, and/or the existence (or lack) of other checks and balances.

Why: The reviews and audits help to minimize or prevent losses from fraud, waste, and abuse; and from non-compliance with program funding requirements. Since department managers are often unaware of their department's selection for a detailed audit in any particular year, this serves as a deterrent for lax internal controls.

How are we doing? The Audit staff is currently comprised of three staff auditors performing cash, departmental, compliance, and State mandated audits and a Chief Auditor performing audit, review and research duties. The results for FY 2011-12 were lower than estimated due to several audits being more complex than originally anticipated and consequently requiring additional staff time. In addition to audits, the Audit staff monitors and corrects errors in the State allocation of sales tax. The Internal Audit Division also monitors sub-recipients of the Workforce Investment Act for proper accounting methods, authorized expenditures, and services provided; calculates and prepares the Local Agency Formation Commission (LAFCO) billing to the various special districts and cities within the county. They also prepare and submit the County's Financial Transaction Report to the State, and take the lead in preparing the Comprehensive Annual Financial Report. Audits and other reports prepared by the Audit staff are submitted to the Board of Supervisors and available to the public for comment. During the last few months of FY 2011-12 the Audit staff was responsible for performing Redevelopment agreed upon procedures as part of the dissolution of Redevelopment Agencies, which resulted in fewer regular reviews.

2. Performance Measure: Number of concessionaire, bed tax, or service provider audits completed.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
24	16	16	16	16	21	18

What: Selected concessionaires, hotels, and major contracted service providers are audited on a rotating basis so that they can expect to be studied once every three or four years. Hotels and most concessions pay the County based on percentages of gross receipts, and many contractors are paid based on counts of eligible services provided.

Why: These audits help to ensure the County is receiving all the revenue it is entitled to, and payments are made for services actually received. In addition, we try to maintain a level playing field so local businesses pay no more or less than their fair share under the law, and are property compensated when contracting with the County.

How are we doing? The number of audits increased from the prior year adopted level due to an additional auditor reassignment. Audit staff focused on concessionaire and Transient Occupancy Tax audits in FY 2010-11. We believe maintaining an audit presence helps create an even balance in the community. In addition, the staff began reviewing service providers' compliance with contracts to the County. In this way, service providers are properly compensated and the County receives the full spectrum of services purchased. Audits and other reports prepared by the audit staff are submitted to the Board of Supervisors and available to the public for comment.

Department Goal: Maintain the financial health of the County by developing effective annual budgets, accurately identifying expenditures, and ensuring recovery of revenues from State and Federal sources.

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

3. Performance Measure: A favorable audit, by the State Controller's Office, of reimbursable costs allocated through the Countywide Cost Allocation Plan, prepared in accordance with Federal regulations.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions

What: State and Federal agencies allow for County's overhead cost reimbursement through numerous programs and grants. The Countywide Cost Allocation Plan is a tool used to distribute overhead costs to programs and departments within the County.

Why: The County is reimbursed for overhead costs.

How are we doing? The State Controller's Office performed an audit of the FY 2011-12 County Cost Allocation Plan. There were no findings or adjustments as a result of the audit.

Department Goal: Provide timely and accurate financial information for the public, Board of Supervisors, and County departments.

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

4. Performance Measure: Earn a clean auditor's opinion on the Comprehensive Annual Financial Report (CAFR).

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
1	1	1	1	1	1	1

What: A clean opinion from outside auditors measures the reliability, integrity and accuracy of the information presented in the County financial statements.

Why: Provides assurance to the public, investors and others that the County's financial position is presented fairly and accurately.

How are we doing? The external auditors have completed their annual audit of the FY 2010-11 fiscal year's financial statements and have issued unqualified or clean opinions. The review of the County's financial statements is required to be done and submitted to the State Controller's Office by December 31 following the end of each fiscal year. Actual results for the FY 2011-12 Audit report will not be known until the end of the 2012 calendar year.

Department Goal: Insure that all automated accounting systems designed to provide easy access to relevant data are maintained with adequate internal controls and audit trails.

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

5. Performance Measure: Percentage of County users that receive annual workshop training sessions on automated financial management, human resource/payroll and budget preparation systems.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
85%	85%	85%	85%	85%	85%	**Delete**

What: This measures our desire to be certain County users know what systems and information are available and how to use them. While training is still an important role for the Auditor's staff it has become more about instructing when new systems or upgrades are introduced. The trainer position has been eliminated leaving training duties to staff members considered subject matter experts.

Why: County users will know what information is available and how to retrieve it given adequate training.

How are we doing? The elimination of training position in the Auditor's Office has led to a decrease in training making this measure obsolete. While trainings for a variety of processes are still given as needed, they're now dependent on changes in systems. This Performance Measure will be deleted for the 2012-13 fiscal year.

Department Goal: Provide high quality, cost effective Auditor-Controller services.

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

6. Performance Measure: Auditor Controller staff per 100 County employees.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
1.7	1.7	1.6	1.6	1.6	1.6	1.6

What: This shows Auditor Controller staffing levels per 100 county employees.

Why: This data can be compared with Auditor-Controller offices of similar characteristics to provide one measure of whether we are appropriately staffed.

How are we doing? Staffing levels per 100 employees for our comparable counties (5 counties surveyed) ranged from a low 1.0 in Monterey County to a high of 1.7 in Marin County. The Auditor's Office maintains levels slightly above the average of 1.4, but within the range of our comparable counties. It is evident our comparable counties continue to face financial challenges as the number of full time equivalent (FTEs) continue to decline.

Department Goal: 100% of legal mandates should be implemented within established deadlines.

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

7. Performance Measure: Percentage of legal mandates implemented within established deadlines.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
N/A	100%	100%	100%	100%	100%	100%

What: Monitor State and Federal legislation regularly in order to keep updated with changes to current mandates and new mandates.

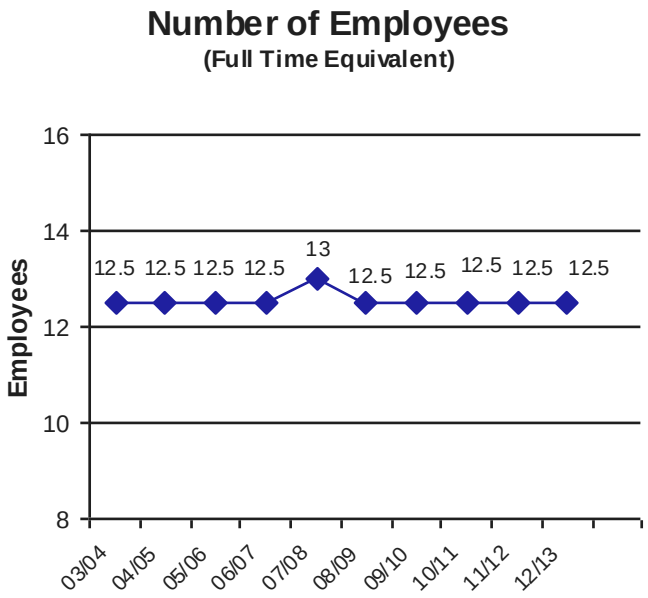
Why: So that a proactive response to implement changes to current mandates and new mandates is seamless and timely.

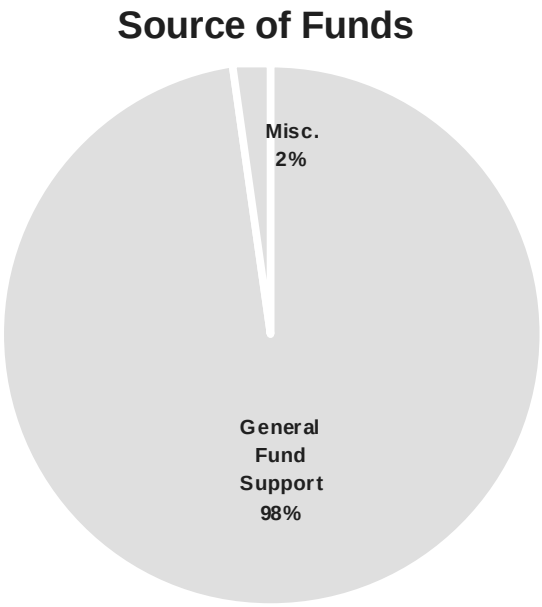
How are we doing? During FY 2010-11, we successfully implemented all known legal mandates. Some of these include: the Patient Protection and Affordable Health Care Act, which among other requirements changed coverage for dependents as well as COBRA provision changes. Unemployment Insurance Reauthorization and Job Creation Act of 2010 and the reduction of employee paid FICA for 2011. Also complied with the electronic filing of quarterly reports to the IRS and updated reporting forms and changed tax rate tables. Implemented alternative work schedules, telecommuting policies and eliminated remuneration statement printing to reduce greenhouse gases per California AB32. Updated system for payment to employees who are Reserve Military on active duty. We will continue to implement all mandates as they develop in FY 2012-13. The number of legal mandates varies from year to year depending on changes at the State and Federal levels.

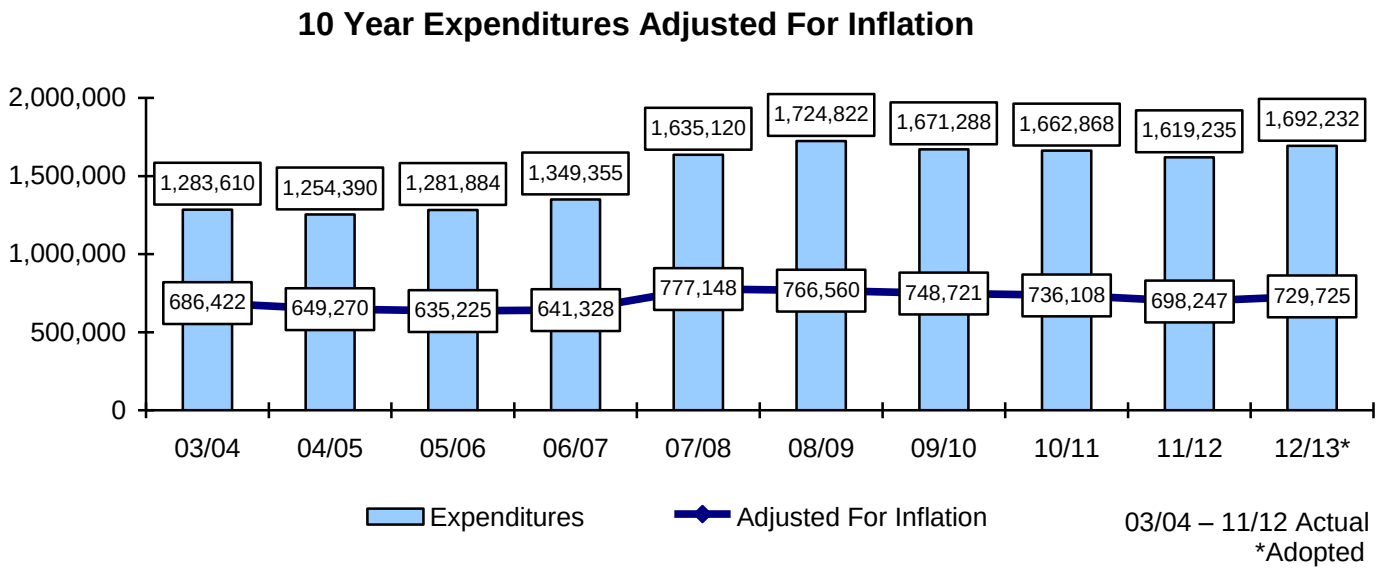
MISSION STATEMENT

The San Luis Obispo County Board of Supervisors is the legislative arm of the County government, and is committed to the implementation of policies and the provision of services that enhance the economic, environmental and social quality of life in San Luis Obispo County.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Interfund	$ 2,826	$ 0	$ 0	$ 0	$ 0
**Total Revenue	$ 2,826	$ 0	$ 0	$ 0	$ 0
Salary and Benefits	1,437,597	1,404,628	1,436,295	1,436,295	1,436,295
Services and Supplies	225,271	214,607	255,937	255,937	255,937
**Gross Expenditures	$ 1,662,868	$ 1,619,235	$ 1,692,232	$ 1,692,232	$ 1,692,232
Less Intrafund Transfers	36,142	36,209	36,226	36,226	36,226
**Net Expenditures	$ 1,626,726	$ 1,583,026	$ 1,656,006	$ 1,656,006	$ 1,656,006
General Fund Support (G.F.S.)	$ 1,623,900	$ 1,583,026	$ 1,656,006	$ 1,656,006	$ 1,656,006







SERVICE PROGRAMS

The Board of Supervisors has a total expenditure level of $1,692,232 and a total staffing level of 12.50 FTE to provide the following services.

Annual County Audits

This program complies with Government Code Section 25250, which states that it is the Board of Supervisors' duty to examine and audit the financial records of the County. In addition, this program satisfies the Federal Single Audit Act (Public law 98-502) relative to the auditing of Federal monies received by the County.

Total Expenditures: $106,150 Total Staffing (FTE): 0.00

Service to Public

The majority of the Board's activities center around services to the public which are provided in its capacity as the legislative body of the County. Members of the Board of Supervisors represent the people residing within their supervisorial district, while also working for the general welfare of the entire County.

Total Expenditures: $1,586,082 Total Staffing (FTE): 12.50

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget for FY 2012-13 provides for no increase in General Fund support, which will remain at $1,656,006 as in the FY 2011-12 adopted budget. The department of the Board of Supervisors was able to achieve the same level of funding through the implementation of cost saving measures. The State-mandated County-wide audit contract that is funded through this department was renegotiated and provided a savings of $11,380 or 10% for FY 2011-12 and a 5% savings for FY 2012-13. Additionally, in FY 2009-10 the Board of Supervisors agreed to 5% salary and benefit reductions and those savings continue to be reflected in the FY 2012-13 recommended budget.

BOARD ADOPTED CHANGES

None.

GOALS AND PERFORMANCE MEASURES

Department Goal: To enhance the public's trust in county government by measurably demonstrating that we provide efficient, high quality, results oriented services.

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

1. Performance Measure: Percentage of citizens that rate the overall quality of services the County provides as "good" to "excellent".

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
Triennial Survey	Triennial Survey	Triennial Survey	72%	Triennial Survey	Triennial Survey	Triennial Survey

What: Measures citizen satisfaction with County services using data from the ACTION for Healthy Communities telephone survey now conducted every three years. Concurrently, the County conducts a Citizen's Opinion Survey that builds on the data provided in the ACTION for Healthy Communities survey. Both surveys include specific questions designed to solicit information from the public relative to whether they received satisfactory service from County employees.

Why: It is the County's desire to provide services to our residents that are in line with their expectations. Based on the data gathered from these two surveys, County departments will develop and implement action plans designed to improve the quality of services delivered to the public and we will continue to measure our progress in meeting this goal over time.

How are we doing? The 2010 ACTION telephone survey asked 1,048 randomly selected adults "How would you rate the San Luis Obispo County government, including major units such as the Sheriff, Social Services, County Planning and Building, Elections Office, Health Department, Assessor, Tax Collector, Roads and the County Board of Supervisors?" Overall, how would you rate the services provided by San Luis Obispo County government?" 72% of the respondents rated the County as "good" (41%), "very good" (25%) or "excellent" (6%). These results are almost identical to the 2007 survey (71%). The 2010 ACTION survey was presented to the Board on October 26, 2010. The survey results posted on the County's web site: http://www.slocounty.ca.gov. The next ACTION telephone survey is planned for FY 2013-14.

2. Performance Measure: Percentage of citizens that indicate their overall impression of County employees (based on their most recent contact) is good or excellent.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
75%	Triennial Survey	Triennial Survey	Survey on hold	Survey on hold	Triennial Survey	Survey on hold

What: The County initiated a Citizen's Opinion Survey that will be conducted every three years to build on the data provided in the ACTION for Healthy Communities survey. The survey tool includes specific questions designed to solicit information from the public relative to whether they received satisfactory service from County employees.

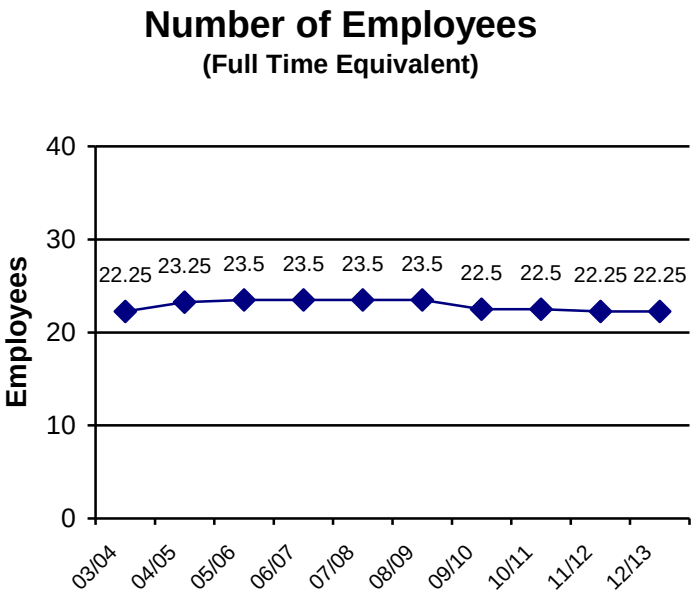
Why: The information gained from this survey will be used to help us improve customer service to the public. Based on the data gathered from the Citizen's Opinion Survey, County departments will develop and implement action plans designed to improve the quality of services delivered to the public and we will continue to measure our progress in meeting this goal over time.

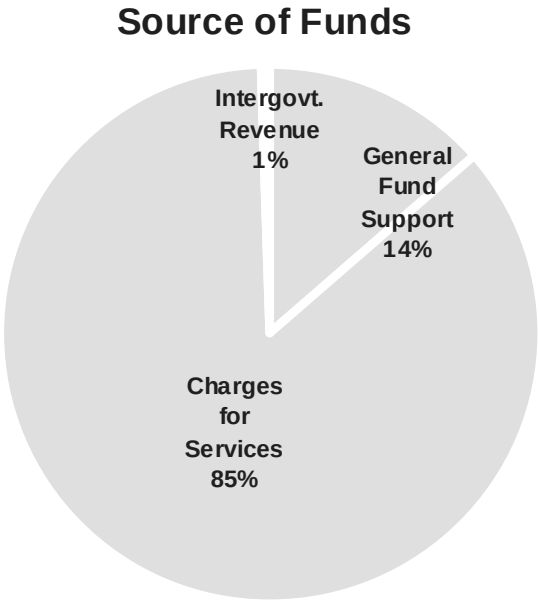
How are we doing? The Citizen's Opinion Survey was most recently conducted in the Winter of 2007. This survey asked respondents if they had contact with County employees in the past 12 months, and if so, to rate their overall impression of that contact in terms of knowledge, responsiveness and courtesy of County staff. 57% of the respondents had contact in that past year, and of those, 75% rated their overall impression of their contacts with County employees as "good" or "excellent". Due to budgetary constraints, the citizen's opinion survey has been put on hold.

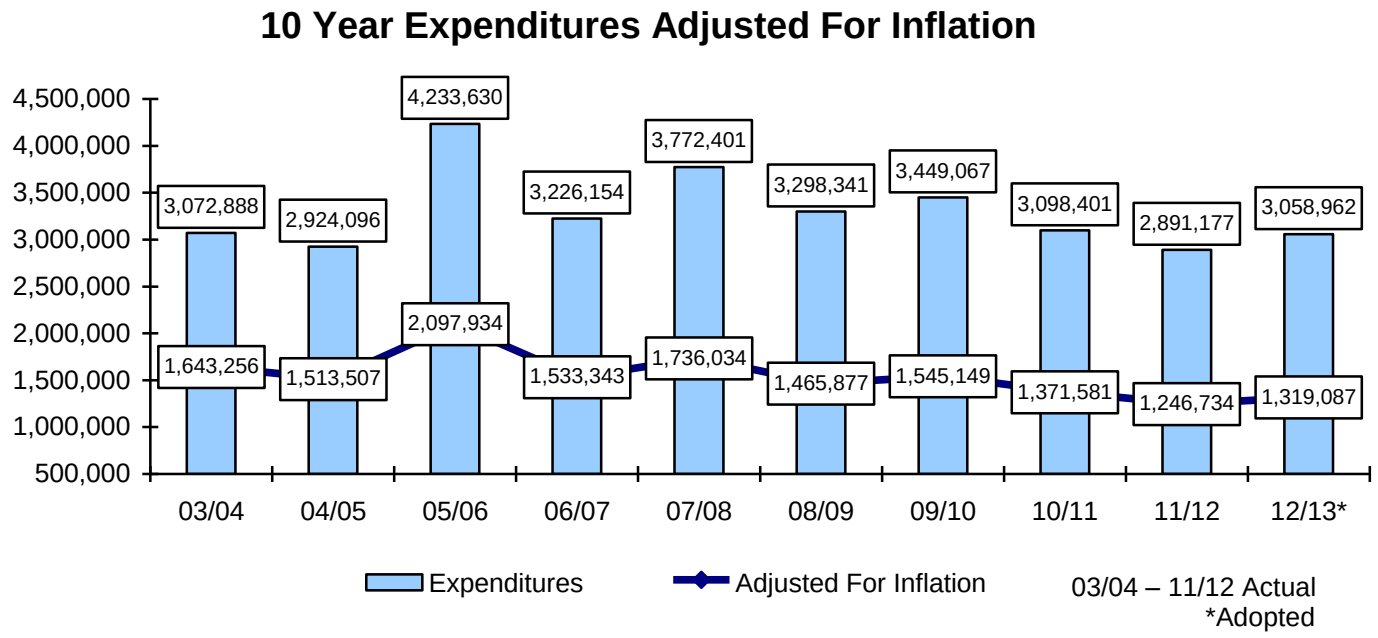
MISSION STATEMENT

In pursuit of a well-governed community, the County Clerk-Recorder will ensure the integrity of the election process and the records maintained by the office and provide access to these public records, by complying with all applicable laws, employing technology to its fullest and wisely spending the public funds entrusted to us while serving our customers with courteous and well-trained staff.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Intergovernmental Revenue	$ 716,530	$ 118,439	$ 19,000	$ 19,000	$ 19,000
Charges for Current Services	2,578,845	2,292,388	2,622,195	2,622,195	2,622,195
Other Revenues	2,075	2,246	0	0	0
Interfund	791	8,952	0	0	0
**Total Revenue	$ 3,298,241	$ 2,422,025	$ 2,641,195	$ 2,641,195	$ 2,641,195
Salary and Benefits	1,984,893	1,995,933	2,058,757	2,045,967	2,045,967
Services and Supplies	1,107,522	876,388	1,027,409	1,012,995	1,012,995
Fixed Assets	5,986	18,856	0	0	0
**Gross Expenditures	$ 3,098,401	$ 2,891,177	$ 3,086,166	$ 3,058,962	$ 3,058,962
Less Intrafund Transfers	2,400	0	0	0	0
**Net Expenditures	$ 3,096,001	$ 2,891,177	$ 3,086,166	$ 3,058,962	$ 3,058,962
General Fund Support (G.F.S.)	$ (202,240)	$ 469,152	$ 444,971	$ 417,767	$ 417,767







SERVICE PROGRAMS

The Clerk-Recorder has a total expenditure level of $3,058,962 and a total staffing level of 22.25 FTE to provide the following services:

Administration

Perform Clerk-Recorder mandated duties including: Provide professional, knowledgeable staff for all meetings of the Board of Supervisors, and other mandated boards, to produce accurate and timely meeting minutes; and preserve and maintain files and records. Provide enthusiastic, professional volunteers and staff to perform civil marriage ceremonies. Provide exemplary service to our customers in County Clerk mandated functions, such as issuing marriage licenses, filing notary and other bonds and filing fictitious business name statements. Maintain the integrity of the Official Records with well-trained staff to examine, record and index property related documents and vital records; provide professional, knowledgeable staff to assist the public in searching records maintained by the office. Encourage and maintain the voter registrations of all electors residing within the County.

Total Expenditures: $1,605,564 Total Staffing (FTE): 15.17

Elections

Ensure the integrity of the election process in the management and conduct of all elections; provide professional, knowledgeable staff to assist candidates, customers and voters in the office and at the polls on Election Day.

Total Expenditures: $864,103 Total Staffing (FTE): 3.15

Recorder's Restricted Revenues (Special Projects)

Collect and utilize restricted funds to pursue the modernization of delivery systems for official and vital records.

Total Expenditures: $589,295 Total Staffing (FTE): 3.93

DEPARTMENT COMMENTS

The County Clerk-Recorder provides a variety of services, including: preserving property and vital records, issuing marriage licenses and fictitious business names, maintaining Board of Supervisors records and registrations of eligible voters, conducting elections, and performing civil marriage ceremonies. The department's focus is to ensure the integrity of these records and processes and improve access for all residents of the County while performing our duties within the legislated mandates and deadlines. As the department participates in solutions to the County's financial challenges, it is also confronted with some challenges that are specific to the County Clerk-Recorder.

The future of the U.S. Postal Service and the potential for cost increases and/or reduced delivery services has been highlighted in the news lately. County elections officials have been working with the Post Office to develop an elections "postal rate" that will be a standard rate applied to all election related materials. At this time the proposed rate and its effect on election mailings is unknown. However, an even larger concern is the potential for reduced postal delivery days and the already increased delivery time for first class mail from 1-2 days. More than 52% of voters in the county are permanent vote-by-mail voters and another 5-10 % request vote-by-mail ballots for each election. The increased delivery time and elimination of one day of postal delivery each week could have a significant effect on voters' ability to return their ballot via mail and result in more ballots being turned in on Election Day. Because of this, the department recommends that voters mail their ballots by the Wednesday (instead of Thursday) prior to an election. Any further change to postal delivery will necessitate an extensive public education campaign to ensure voters are aware of the impacts.

In addition to concerns about postal rates and delivery, the department will also soon be faced with the need to replace aging technology. The Clerk-Recorder is heavily reliant on technology to streamline its mandated duties and increase access to records. Two major systems were implemented over 10 years ago and will be in need of replacement or significant upgrades in the next two to three years. The replacement costs will be funded outside of the General Fund; Help America Vote Act funds will be used to purchase a ballot counting system, and Recorder's restricted revenue will be used to purchase a recording and imaging system. However, the procurement and implementation of these systems will require a significant amount of dedicated staff time while still addressing the daily duties of the department.

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

- Partnered with Cal Poly students to redraw precinct and district boundary lines to conform to recently adopted district lines which saved $5,000 in staff costs.
- Implemented the paperless agenda process in conjunction with the Administrative Office which will save an estimated 12 hours per meeting in Clerk staff time and will reduce paper costs for the processing and distribution of Board documents.
- Successfully implemented Integrated Document Management (IDM) for campaign finance and conflict of interest filings, streamlining public access and the process for providing copies of these records.
- Developed an online voter registration application to allow voters to enter information and print a registration form for their signature, which will

FY 2012-13 Objectives

- Successfully conduct the Presidential General Election, meeting all deadlines.
- Expand the types of records stored in IDM to include Board of Supervisors records and minutes which will allow for greater access by other departments and the public. The full text search feature of IDM will provide quicker and more accurate searching of documents and Board actions.
- Implement an "opt-out" system that allows voters to elect to not receive a mailed County sample ballot booklet and State voter information guide, reducing the cost of postage and printing by $.80 per voter who chooses to "opt-out".
- Continue to expand the use of social media in communicating important events and deadlines to the public.

benefit the public during registration deadlines by ensuring quick and easy access to a registration form.

- Increased the number of documents being handled by the auto-indexing system from 6% to 20% which will help ensure that documents are timely indexed and verified to comply with State statutes, as well as providing quicker access to the public and Assessor's staff.
- Complete the conversion of all vital records to digital images, increasing access and ease of producing copies.
- In conjunction with the Administrative Office, expand the paperless agenda system to other boards and advisory bodies, including the Parks and Recreation Commission, Assessment Appeals Board and Planning Commission.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Revenue in the department's Elections Division fluctuates with the election cycle as additional revenue is realized from jurisdictions that consolidate their elections with general elections, and therefore pay for their cost of the election, thus covering a portion of election expenses. General elections are held in even-numbered years (FY 2012-13 is an even-numbered year). During the odd-numbered years, election revenue declines and the department requires additional General Fund support. In FY 2011-12, the State suspended reimbursements for vote-by-mail activities. As a result, the department will now charge other jurisdictions for their portion of vote-by-mail ballot mailing and processing.

The level of General Fund support for this budget is recommended to decrease $361,525 or 46% compared to the FY 2011-12 adopted budget. Because of the cyclical nature of election revenues, an adjustment is made to even out the years. When adjusted for the timing of election cycles, General Fund support is actually decreasing 1.5% compared to FY 2011-12 adopted levels. Revenues are recommended to increase $237,866 or 9% and expenditures are recommended to decrease $123,659 or 3% compared to FY 2011-12 adopted levels.

Overall, revenues are recommended to increase due to the fluctuation in election related revenue noted above. The increase in election revenue is offset by decreases in other revenue accounts. Restricted revenue is decreasing $182,264. Restricted revenue is revenue that the Clerk-Recorder is authorized to collect by government code for various recording activities. Government code places restrictions on how this revenue is expended - generally to modernize and improve the retention and retrieval of recorded documents. Once collected, restricted revenue is held in trust accounts and the amount of restricted revenue budgeted each year is determined by the specific projects and expenditures that are funded from this source. Restricted revenue use is recommended to decrease compared to FY 2011-12 when the purchase and installation of high density storage shelving was funded from restricted revenues. In FY 2012-13 there is no such project recommended to be funded with restricted revenues. Other significant changes to revenue include a $40,000 decrease in recording fees, which is consistent with decreased recording activity levels during the first half of FY 2011-12, as well as a $43,300 increase to other fees due to continued increases in applications for marriage licenses, fictitious business name statements and the Assessment Appeals Board.

Salary and benefits are increasing $40,056 or 1% compared to FY 2011-12 adopted levels. This increase is due to: 1) the restoration of a full year of funding for a 0.5 FTE Administrative Assistant that was only funded for five months in FY 2011-12, as part of a budget reduction strategy that enabled the department to meet its cut target; 2) regular pay step increases; and 3) an increase in temporary help to assist with the upcoming Presidential General Election. These increases are partially offset by minimal savings associated with a change to the department's Position Allocation List (PAL) which eliminates a vacant Clerk-Recorder Assistant IV, to be replaced with a Clerk-Recorder Assistant III. This swap is consistent with an organizational re-structure that was initiated back in 2005. The intent of the re-structure was to organize the department functionally, rather than by divisions, which means that instead of being dedicated solely to the elections, clerk, or recording function, staff is either dedicated to first contact with the public, or processing functions. The intended result is that all staff can be involved in elections, which will provide the department with more flexibility to address elections and regular workload as needed throughout the year. The increased salary and benefit costs discussed above are also partially offset by a reduction to overtime costs for elections, compared to prior general election years. Overtime costs are recommended to decrease as a budget reduction strategy. The impact of this reduction will be mitigated by requiring staff working overtime for elections to accrue comp time in lieu of receiving overtime pay.

This strategy has been in place for a number of years, in an effort to ensure that staff is able to work the overtime hours required during an election so that service levels aren't adversely impacted; however, it will not be possible to continue this reduction in the long term, as many staff are at the limit for comp time accruals.

Services and supplies are recommended to decrease $3,715 or less than 1% compared to FY 2011-12 adopted levels. The decrease is due to reductions in several accounts including travel and training, which will restrict staff's ability to attend some trainings, but will not pose any direct service level impacts.

Fixed assets are recommended to decrease $160,000 or 100% compared to FY 2011-12 adopted levels. The FY 2011-12 adopted budget included $160,000 for fixed assets to replace an aging scanner and install high density shelving units in the Recorder's storage area at Camp San Luis; no fixed assets are recommended in FY 2012-13.

BOARD ADOPTED CHANGES

None.

GOALS AND PERFORMANCE MEASURES

Department Goal: Create, process, maintain, and/or update records and documents (i.e., Board of Supervisor minutes and records, real property and vital records, voter registration, etc.) in a timely and accurate manner to ensure compliance with local, state, and federal laws.

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

1. Performance Measure: Percentage of documents received by mail which are examined and recorded, or returned within two business days.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
98.1%	93%	98%	96%	100%	99%	100%

What: This measure tracks the processing time of official records (e.g. deeds, reconveyances) received in the mail.

Why: Tracking the time it takes to process official records helps to measure how prompt our customer service is to the public, County departments, State, and Federal agencies, and enables us to ensure we are complying with law that requires recordation within two days of receipt of specific documents which are sent to us by express delivery.

How are we doing? In FY 2011-12, 99% (28,060 of the 28,186 recordings received in the mail) were examined and recorded or returned within two business days. Recording levels for FY 2011-12 have increased by approximately 3,300 documents compared to FY 2010-11 due to an upswing in the housing market. Deed recordings increased by 13% and Deed of Trust recordings increased 12%. FY 2011-12 fell just shy of adopted levels because of occasional staffing shortages. With our focus on additional training for staff, we continue to strive to achieve our goal of 100% in the coming year; however, with the upcoming Presidential General Election, which statistically has the highest turnout of any election, and a planned retirement in October, it may be difficult to meet this goal during the first half of the year.

Department Goal: Provide easy access to all public records and documents to enhance customer service.

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

2. Performance Measure: Percentage of requests for vital and official records per month conducted online via the web.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
4.4%	4.7%	5.3%	5.4%	6.5%	3.4%	6%

What: This measure tracks the use of Clerk-Recorder services that are available online for a fee.

Why: Copy requests via the web require less staff time and measuring the use of online services assists in the assignment of staff within the department, resulting in a more efficient use of staff time. Tracking measurements of the level of use of online vital and official records use also provides indicators of the need to advertise and enhance the availability of certain services online to better serve the public.

How are we doing? The online purchase of birth and death copies has been restricted in the State since 2003, and in 2010 the restriction was expanded to include copies of marriage licenses. The percentage of online requests for the purchase of vital and official records has been increasing since legislation was passed in 2004 to allow customers to fax a notarized statement for purchase of these records. In April 2011, the County contracted with a new vendor for processing credit card payments, which has resulted in a 60% ($4.51) decrease in the convenience fee paid by the customer versus the web-based vendor. The new vendor does not have the ability to allow customers to place orders on the web. This has had an effect on the number of customers who chose to place orders on the internet, as opposed to contacting the office directly. The decrease in FY 2011-12 can be attributed to the new credit card payment vendor and the savings that the new system offers for the customer. The customer saves $4.51 by placing their order directly through the Clerk-Recorder, rather than online. The vendor that is utilized for the web orders continues to make improvements to their service, which will hopefully result in increased numbers of customers utilizing web based record request services. 3.4% of requests is equivalent to 32 requests per month for vital and official records via the web.

Department Goal: Ensure the integrity of the San Luis Obispo County election process and encourage the participation of all eligible voters in a cost-effective manner.

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

3. Performance Measure: Cost per vote-by-mail ballot.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
$2.07	$1.97* $2.08**	$2.00* $1.89**	$1.77* $2.06**	$2.25	$2.22	$2.10

What: This measures the cost to issue each vote-by-mail ballot.

Why: Vote-by-mail ballots have traditionally been very labor intensive to administer and process. Currently, approximately 54% of San Luis Obispo County voters choose to permanently vote by mail ballot. Tracking the costs to issue vote-by-mail ballots allows the department to plan for the budgetary impacts of these ballots accordingly and contributes to efforts to automate and streamline the process to increase efficiency and keep costs down.

How are we doing? The deployment of technology has had a profound effect on this labor intensive process. Since San Luis Obispo County began implementing technology and introduced efficiencies for the issuance of vote-by-mail ballots, per ballot costs have been reduced from $4.11 per voter in 1998 to the current $2.25 or less per voter. The expansion of permanent vote-by-mail status has further assisted in reducing this cost as these voters do not need to apply for a ballot, reducing the staff time to process the request by about one-third. Currently, 79,417 voters have registered for Permanent Vote-by-Mail status, which is 54% of all registered voters in the County. Legislation that streamlined the manual tally of vote-by-mail ballots became effective January 1, 2012, saving approximately 300 hours of staff time per election, which equates to roughly $0.05 per ballot in savings. The FY 2011-12 actual results were slightly below adopted levels because the contract for ballot printing and services yielded a $0.031 per ballot reduction in printing costs, $0.06 per ballot savings on stuffing and mailing Vote-by-Mail ballots, as well as an overall 2% discount for prepayment. The lowered cost per vote-by-mail ballot targeted in FY 2012-13 is a result of not printing party specific ballots in a General Election, which reduces the number of ballots ordered; and also reflects the anticipated savings from the newly stream-lined manual tally procedures and the lowered costs of printing and other services.

Some of our comparable counties were able to provide the following information as a comparison. Costs are from prior years as current costs are not available.

Placer County $5.41 per ballot
Santa Barbara County $3.88 per ballot
Napa County $2.85 per ballot

FY 2008-09 Results: * November 2008 General Presidential Election ** May 2009 Special Statewide Election
FY 2009-10 Results: * June 8, 2010 Primary Election ** June 22, 2010 Special SD 15 Primary Election
FY 2010-11 Results: * August 2010 Special SD 15 General Election ** November 2010 General Election
FY 2011-12 Results: June 2012 Presidential Primary

4. Performance Measure: Average cost per registered voter in the County.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
$3.56	$4.08* $2.40**	$3.83* $2.46**	$2.21* $3.49**	$3.85	$3.77	$4.00

What: This measures the cost of conducting a countywide election per registered voter.

Why: Measuring the cost of conducting countywide elections per registered voter enables the Clerk-Recorder to have a better understanding of the overall costs of conducting an election and to identify means to conduct elections in the most cost effective manner possible.

How are we doing? Even with the increased number of voter registrations and high voter turnout, the department continues to maintain its commitment to providing the best election experience in the most cost effective manner. The costs for the June 2012 Presidential Primary Election were slightly below target compared to the adopted amounts. In the early part of 2012, a new contract was negotiated with the current ballot printer, resulting in a savings of $0.031 per ballot, plus a 2% discount for prepayment, which resulted in an approximate $8,450 savings in ballot printing costs. The sample ballot booklet was also reformatted from a full 8½" X 11" size to a "digest" size in order to lower postage costs that were scheduled to increase significantly. These changes resulted in a savings of $30,000 in printing costs, and $6,300 in postage for the sample ballots. There was also a $15,400 savings on Election Officer Payroll that was achieved by reducing the number of poll workers assigned to each polling place from 5 workers to 4. This change cannot be sustained during the General Election in November because the additional workers are required to assist the increased number of voters who historically turnout during a Presidential General Election. The FY 2012-13 Target reflects costs associated with the higher voter turnout during a Presidential General Election. An increase in voter turnout increases costs associated with the election, such as charges for processing voted ballots and increased overtime necessary to conduct and certify the election within the mandated timeframe.

Some of our comparable counties were able to provide the following information as a comparison. These comparisons are from prior years as current figures are not available.
Placer County $4.99 per registered voter
Santa Barbara County $11.00 per registered voter (includes indirect costs)
Napa County $2.67 per registered voter
FY 2008-09 Results: * November 2008 General Presidential Election ** May 2009 Special Statewide Election
FY 2009-10 Results: * June 8, 2010 Primary Election ** June 22, 2010 Special Senate District 15 Primary Election
FY 2010-11 Results: * August Special SD 15 General Election ** November 2010 General Election
FY 2011-12 Results: June 2012 Presidential Primary

5. Performance Measure: Voter Participation Rate.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
63.5% * 43.4% **	83.1% * 39.4% **	40.27% * 47.12% ** 37.87% ***	43.41%* 69%**	65%	48.59%	80%

What: This measures the San Luis Obispo County voter turnout in elections.

Why: Measurements of voter turnout are an indicator of whether people participate in their government and have a stake in their future. The Clerk-Recorder measures voter turnout to target populations and geographical areas where more voter education may be needed and to ensure that we have efficiently assigned staff and resources to assist voters.

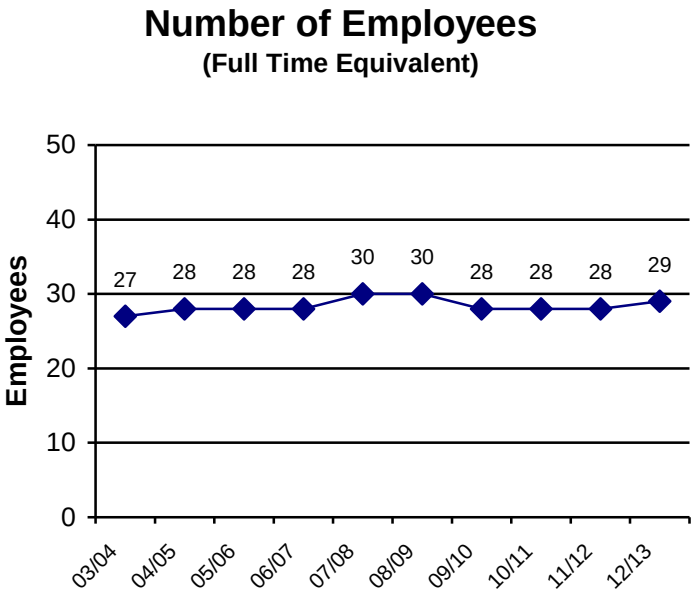
How are we doing? Many factors affect voter turnout. Turnout is always highest in a Presidential General Election and lowest in a Gubernatorial Primary Election and in special elections. In addition, voter file maintenance is critical to ensure that election files are current and up-to-date, thereby giving a more accurate picture of the voter turnout. This office is committed to encouraging voter participation and educating the public on deadlines for voter registration and the process to obtain a vote-by-mail ballot for each election. Our commitment to mail voter information pamphlets/vote by mail applications at the earliest possible date, and the posting of information and polling place lookup on the internet, assists our voters in being informed and contributes to the County's high rates of voter turnout. The office has also made an effort to utilize social media sites, such as Facebook and Twitter, to notify citizens of upcoming deadlines and other voter information. These efforts to encourage voter turnout are reflected in the County's 48.59% (71,565 ballots cast) voter turnout for the June 2012 Presidential Primary Election being nearly 18% higher than the statewide average of 31.06%. Voter turnout fell short of adopted figures, but that can be attributed to the fact that there were no competitive party elections by the time the California Primary occurred. The target of 80% voter turnout (117,820 ballots cast) for FY 2012-13 reflects the anticipated increase in voter interest for the 2012 Presidential General Election. This percentage is on par with previous Presidential General Elections.

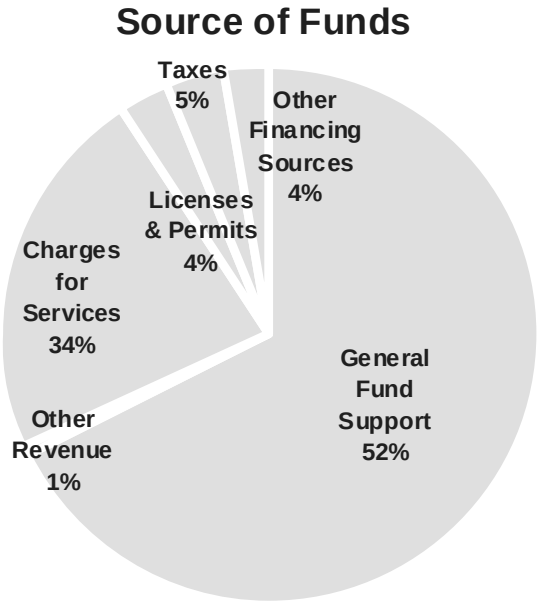
FY 2005-06 Results: * November 2005 Special Statewide Election ** June 2006 Direct Primary Election
FY 2007-08 Results: * February Presidential Primary Election ** June 2008 Direct Primary Election
FY 2008-09 Results: * November 2008 General Presidential Election ** May 2009 Special Statewide Election
FY 2009-10 Results: * November 2009 Uniform District Election /City of Paso Election ** June 2010 Direct Primary Election
*** June 22, 2010 Special SD 15 Primary Election
FY 2010-11 Results: * August 2010 Special SD 15 General Election ** November 2010 General Election
FY 2011-12 Results June 2012 Presidential Primary

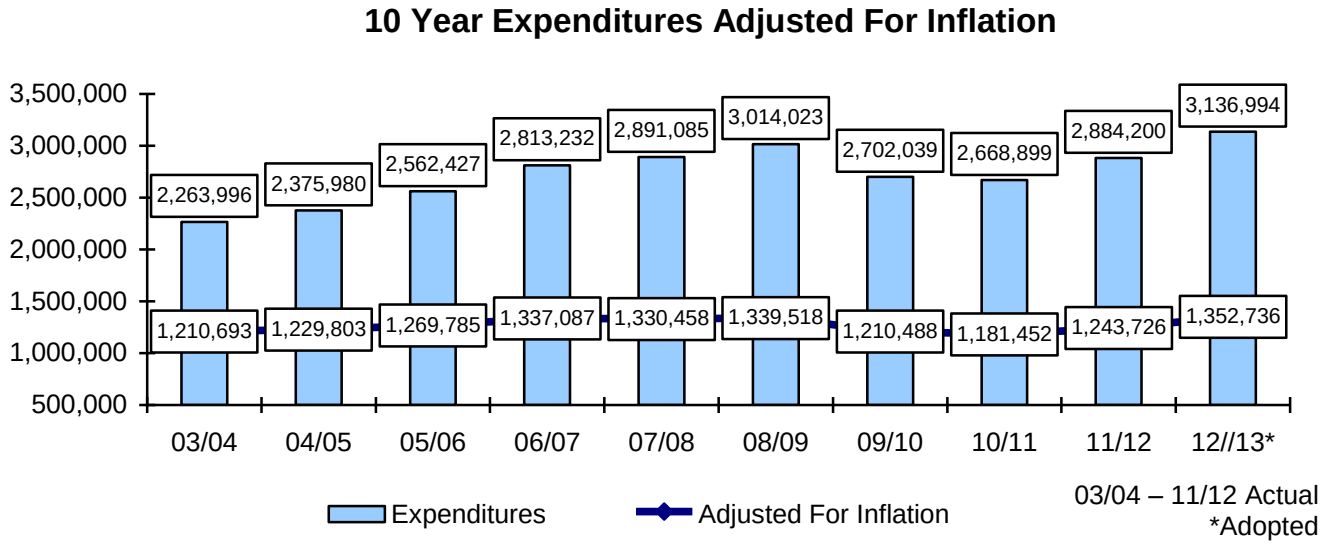
MISSION STATEMENT

The Treasurer, Tax Collector, Public Administrator's staff is committed to providing quality service to the community, including the efficient collection and prudent management of public funds needed for public services.

Financial Summary	2010-11 Actual	2011-12 Actual	2012-13 Requested	2012-13 Recommended	2012-13 Adopted
Taxes	$ 95,561	$ 123,267	$ 165,100	$ 165,100	$ 165,100
Licenses and Permits	104,844	104,409	134,359	134,359	134,359
Charges for Current Services	1,044,548	964,743	1,064,874	1,062,351	1,062,351
Other Revenues	37,132	29,526	19,408	19,408	19,408
Other Financing Sources	0	75,393	0	124,397	124,397
**Total Revenue	$ 1,282,085	$ 1,297,338	$ 1,383,741	$ 1,505,615	$ 1,505,615
Salary and Benefits	2,396,147	2,520,649	2,685,424	2,809,821	2,809,821
Services and Supplies	272,752	288,158	309,082	299,780	299,780
Other Charges	0	0	27,393	27,393	27,393
Fixed Assets	0	75,393	0	0	0
**Gross Expenditures	$ 2,668,899	$ 2,884,200	$ 3,021,899	$ 3,136,994	$ 3,136,994
Less Intrafund Transfers	0	930	0	0	0
**Net Expenditures	$ 2,668,899	$ 2,883,270	$ 3,021,899	$ 3,136,994	$ 3,136,994
General Fund Support (G.F.S.)	$ 1,386,814	$ 1,585,932	$ 1,638,158	$ 1,631,379	$ 1,631,379







SERVICE PROGRAMS

The Treasurer/Tax Collector/Public Administrator has a total expenditure level of $3,136,994 and a total staffing level of 29.00 FTE to provide the following services:

Local Mandated Collections

Administer the issuance of business licenses for all unincorporated areas of the County and collect and account for business license regulatory fees, Transient Occupancy Taxes (hotel bed taxes), the tobacco license fee, and the San Luis Obispo County Tourism Business Improvement District assessment.

Total Expenditures: $229,567 Total Staffing (FTE): 2.21

Public Administrator

Administer the estates of deceased County residents when there is no one willing or qualified to act as executor or administrator of the estate, to ensure compliance with legal mandates. Services include coordinating property sale or other disposition; researching and notifying beneficiaries; processing court documentation, income tax returns and wills; and ensuring payments to creditors.

Total Expenditures: $156,489 Total Staffing (FTE): 1.31

Secured Collections

Manage the billing, collection, and accounting of taxes secured by real property, i.e., residential and commercial land and buildings. Collect delinquent property taxes and coordinate the sale of tax-defaulted property through sealed bid sales, “Chapter 8” agreement sales, and public auctions.

Total Expenditures: $1,157,156 Total Staffing (FTE): 10.49

Supplemental Collections

Manage the billing, collection, and accounting of Supplemental Property Taxes (secured or unsecured) when the property value is reassessed due to a change in ownership or the completion of construction on real property.

Total Expenditures: $367,167 Total Staffing (FTE): 3.98

Treasury

Provide banking services including receiving, depositing, investing, and controlling all monies belonging to the County, school districts, and special districts for which the County Treasurer is the ex-officio treasurer. Support the County, school districts, and special districts in the process of debt issuance.

Total Expenditures: $926,592 Total Staffing (FTE): 7.98

Unsecured Collections

Manage the billing, collection, and accounting of taxes on unsecured property, i.e., business fixtures and equipment, racehorses, airplanes, and boats. Administer a collection program for delinquent unsecured property taxes.

Total Expenditures: $300,023 Total Staffing (FTE): 3.03

DEPARTMENT COMMENTS

The combined office of the Treasurer, Tax Collector, Public Administrator has three diverse functions with a common goal of providing cost effective, quality service to the community.

The department continually explores effective and efficient ways to enhance its services to the public, as evidenced in its accomplishments over the years. As part of its “Go Green” efforts, the department is the first in the State to offer e-Billing for tax bills, which provides taxpayers with a convenient option to receive tax bills electronically. The department was recently awarded a 2011 Merit Award from the California State Association of Counties annual Challenge Awards Program for the Taxes on the Web program, which gives the public the ability to access tax information electronically, pay taxes online, and receive electronic tax bills and email reminders, as well as other tools to manage multiple properties. These efforts not only enhance services to the public, but also reduce costs for the department.

As the department prepares to move into FY 2012-13, it continues to look for ways to modernize systems and services for taxpayers, allowing more online access and payment options, and to be more efficient in order to provide quality service to the public with fewer resources. The department will be making enhancements to make it easier to participate in "Go Green" e-billing and e-payment-- business owners will be able to apply for and renew Business Licenses online; and hotel and motel owners will soon be able to file Transient Occupancy Taxes and make payments online. In addition, the department is working with its banks to consolidate and receive electronically, those tax payments made by paper checks issued through home online banking services.

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

- Implemented a new combined system for Business Licenses, Transient Occupancy Taxes, and the Tourism Business Improvement District programs. The new system allows easy 24/7 online access to information and forms, as well as ability to make payments online.
- Cut banking costs through appropriate use of balance fee credits, and identified and implemented new investment options, which resulted in improved interest earnings of over $800,000, with no loss of safety or liquidity.

FY 2012-13 Objectives

- Partner with the Information Technology Department, the Auditor-Controller, and the Assessor, to convert the County's Property Tax System from a mainframe computer system to a modern database environment within the next three years. Part of the overhaul will enable easier and more extensive access to property tax information, which can be used to provide better information and service to taxpayers in the future.
- Further reduce paper and develop efficiencies through electronic document management technologies.

- Began marketing the "Go Green" concept to encourage e-Billing and e-Payment, which furthers the department's mission of providing quality service while reducing costs. In FY 2011-12, the department expects to receive up to 14,000 tax payments electronically vs. 7,465 in FY 2010-11.
- Completed implementation of Tax Status Letters, which provide taxpayers with a full status of property taxes when there are multiple billings to a property, and taxes remain unpaid.
- Saved approximately $14,000 on temporary help expenditures as a result of the above accomplishments.
- Use billing inserts, press releases, and general taxpayer correspondence to further market "Go Green" e-Billing and paperless billing programs, and to promote use of free e-checks to pay property taxes online, which furthers the department's mission of providing quality service while reducing costs. The department expects to double the current use of e-billing, and receive up to 20,000 tax payments electronically.
- Further improve banking and investment efficiency in the current low interest rate environment by researching best practices of other counties, and implementing alternatives to improve investment yields and reduce banking costs, without sacrificing safety and liquidity.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to increase $31,445 or 1% compared to the FY 2011-12 adopted level. Revenues are recommended to increase $212,862 or 16% and total expenditures are recommended to increase $244,307 or 8%.

Revenues are recommended to increase largely due to a $124,397 transfer in from Fund Center 266- Countywide Automation Replacement to offset the cost of one limited term position needed for the Property Tax System Modernization project, as well as a $41,428 increase in Administrative Services Fee revenue which is calculated based on the department's cost for administering the Treasury funds. This revenue is increasing due to regular pay step increases and the promotion of a Financial Analyst to the Principal Financial Analyst level. Other revenue accounts, including delinquent cost reimbursement fee, and business license fee revenue are also recommended to increase significantly, due to increased fees which will go into effect at the beginning of FY 2012-13.

Salary and benefits are recommended to increase $190,722 or 7% due in part, to regular step increases and the promotion of a Financial Analyst to the Principal Financial Analyst level. The main driver of the increased salary and benefit budget is the recommended addition of 1.00 FTE Limited Term Financial Analyst (see discussion and budget augmentation request below).

Services and supplies are recommended to increase $26,192 or 9%. This increase is largely due to the inclusion of $12,750 in advertising costs associated with the sale of tax defaulted property, which was not included in the FY 2011-12 budget, as well as $11,280 for a new maintenance contract to provide ongoing support for the new Business License/Transient Occupancy Tax System. Both of these increased costs are recovered through fees.

The recommended budget also includes $27,393 to pay back an internal loan from the General Fund for the purchase and implementation of a new Business License/Transient Occupancy Tax System, as approved by the Board on October 18, 2011. The total amount of the loan was $80,000, to be paid back over three years through an increase to business license fees, which will go into effect at the beginning of FY 2012-13.

The budget augmentation request (BAR) submitted by the Treasurer-Tax Collector, requesting 1.0 FTE limited term position for the Property Tax System Modernization Project is recommended for funding. The recommended limited term position will be used to backfill for existing staff who will be assigned to the project. The modernization project will move the County's current property tax system from the existing mainframe system to a new computing environment that will provide up-to-date and more widely supported software tools and maintenance tools. The entire project is estimated to cost $5 million and was approved by the Information Technology Department Executive Steering Committee (ITD-ESC) in two phases. Phase 1 activities included the development of a request for proposal (RFP) and subsequent contract with a vendor experienced in providing the tools, software and expertise necessary to successfully complete the modernization of the property tax system.

The $1,577,000 expense for Phase 1 of the project was funded in the FY 2011-12 budget. Phase II will begin in FY 2012-13 and consists of the hiring of limited term positions for the Assessor, Treasurer-Tax Collector and Auditor-Controller's Office. Staff from the three departments are essential the design, development and testing of the new computing environment for the Property Tax System.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
Gross: $124,397 for FY 2012-13 General Fund Support: $0 Source of Funding: FC 266-Countywide Automation Replacement Fund (funded with Tax Loss Reserve funds)	Add 1.0 FTE Limited Term Financial Analyst I/II/III to backfill for existing staff who will be assigned to the Property Tax System Modernization project. The project is anticipated to last approximately 2.5 years. The requested positions are limited term and are planned to be eliminated at the end of the project.	The Property Tax System Modernization Project will: 1. Reduce annual mainframe hardware and software operating costs by $400,000 2. Avoid system obsolesce by moving a critical set of applications, commonly described as the Property Tax System, from the mainframe to a more modern application and system development environment 3. Move Property Tax system data to a modern database 4. Position the County to provide additional Property Tax related services electronically or on-line; and, 5. Extend the life of the current system by a minimum of 10 years.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide helpful, courteous, responsive service to County departments and the public while accommodating all reasonable requests.
Communitywide Result Link: ☐ Safe ☐ Healthy ☐ Livable ☐ Prosperous ☒ Well-Governed Community

1. Performance Measure: Percentage of customer satisfaction surveys which rate department performance as "excellent" or "good."

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
97%	98%	98%	100%	100%	100%	100%

What: This measure tracks the satisfaction survey results collected from customers who are served in person, through the mail, or over the Internet.

Why: Customer satisfaction levels are measured and tracked to identify areas in which the department can improve its level of service to the public.

How are we doing? In FY 2011-12, the department received 75 completed customer satisfaction surveys from the public service counter. All 75 survey responses or 100% rated the service as "good" or "excellent". The department continues to fine-tune the services provided to the public by enhancing the Tax Collector's website and the Taxes on the Web system to increase the percentage of department services available 24/7. The property tax management system allows taxpayers the ability to manage all of their assessments in one transaction, and to "go green" by using the e-Billing solution. Staff continually cross-train to enhance their knowledge and skills, which increases the level of service available to the public. The projected result for FY 2012-13 remains 100% of customer satisfaction surveys to indicate that the department's performance is "good" or "excellent".

Department Goal: Manage the County Treasury investment pool, which includes deposits from the County, schools, and special districts, in a manner that ensures the preservation of capital and provides the ability to meet the cash flow needs of the pool participants.

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

2. Performance Measure: Percentage of public funds invested. ***This performance measure is being deleted in FY 2012-13.***

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

What: This measures the percentage of available funds that are invested in the County Treasury investment pool.

Why: To maximize the return on investment for public funds not immediately required to support governmental operations.

How are we doing? The County Treasurer's policy is to invest all funds that are not immediately needed. The department is able to invest such a high percentage of available funds because of detailed daily cash flow tracking and projections, electronic banking, and on-line account tracking. The percentage of available funds invested has remained steady over the years and the department anticipates no issue with maintaining the targeted high percentage of investment in FY 2011-12. Based on a recent survey of all California counties, in which half of the counties responded, the average percentage of available funds invested by responding counties is 95%. In an effort to streamline the County Treasury performance measures, this performance measure is being deleted in FY 2012-13, because the goal of maximizing the return on public funds is best measured by the overall net yield. The overall net yield for the County Treasury investment pool is measured against the State of California Local Agency Investment Fund (LAIF) in performance measure #4.

3. Performance Measure: Percentage of time that the annual County Treasury Oversight Committee investment policy compliance audit results in 100% compliance. ***This performance measure is being deleted in FY 2012-13.***

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
100%	95%	100%	100%	100%	100%	Deleted

What: The County Treasury Oversight Committee (CTOC) was formed in 1996. One of its duties is to authorize an independent audit of the County Treasury investments each year. The committee may contract with one of the following: 1) the County Auditor-Controller, 2) the independent certified public accountants (CPAs) that review the County's Comprehensive Annual Financial Report, or 3) independent CPAs, as deemed appropriate. This measure tracks the percentage of time that the annual County Treasury Oversight Committee investment policy compliance audit results in 100% compliance.

Why: The annual compliance audit ensures that investment procedures are effectively being implemented to preserve capital and meet cash flow requirements of the pool participants.

How are we doing? The audit by the Auditor-Controller for FY 2010-11 (conducted in FY 2011-12) resulted in no negative findings or recommendations. The annual investment audits have consistently found the County Treasury to be in compliance with the San Luis Obispo County Treasury Investment Policy. In an effort to streamline the County Treasury performance measures, this performance measure is being combined with performance measure #6, in order to have one performance measure which reflects the results of all audits of the County Treasury.

Department Goal: Manage County funds on deposit in the County Treasury to meet three goals, in order of priority: 1) Ensure the safety of principal, 2) provide liquidity to meet the funding needs of participants, and 3) to earn an appropriate and competitive yield.

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

4. Performance Measure: Percentage of time in which the net yield of San Luis Obispo County Treasury investments falls within 0.5% of the yield earned by the State of California Local Agency Investment Fund (LAIF).

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
92%	83%	100%	100%	100%	100%	100%

What: The investment yield (return on investments minus all administrative and banking costs) of the County Treasury Pool is compared to the yield of the State of California investment fund, LAIF. The LAIF is utilized as a standard benchmark for investment yield by most California counties as an indicator that investment portfolios are following the market. The LAIF has a fund balance of over $60 billion, or about 100 times the size of the County Treasury investment pool. Further, the LAIF is a pure investment fund, where the County Treasury's investment pool must also act as an operating fund, covering the daily operating liquidity needs of participating County departments and agencies. This performance measure is based on achieving a relative net yield within 0.5% of the LAIF.

Why: Net investment yield is the third priority for the County Treasury investment pool, after safety and liquidity. Achieving this standard means the County is effectively maximizing its income from investments.

How are we doing? The County Treasury net yield was within the targeted variance of 0.5% compared to the LAIF net yield in FY 2011-12. The County Treasury continues to explore ways to reduce costs and aggressively search for options to obtain better yields without jeopardizing safety and liquidity.

5. Performance Measure: Maintain an "AAA/V1" credit rating by Fitch Ratings for the Treasury Combined Pool Investments.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
"AAA/V1+"	"AAA/V1+"	"AAA/V1"	"AAA/V1"	"AAA/V1"	"AAA/V1"	"AAA/V1"

What: This measure tracks the County Treasury's success in meeting its "Safety" and Liquidity" goals for the Treasury investment pool. Fitch Ratings, Inc. ("Fitch") is a nationally recognized statistical rating organization that provides an independent evaluation of the investment pool, and its ability to protect the principal and provide liquidity, even in the face of adverse interest rate environments. The target is to achieve the highest available rating.

Why: Credit ratings are an objective measure of the County's ability to pay its financial obligations as well as meet safety and liquidity goals for the County Treasury investment pool.

How are we doing? Fitch has assigned their highest managed fund credit rating of "AAA" and a market risk rating of "V1" to the County Pool. The investment pool's "AAA" rating "reflects the fund's vulnerability to losses as a result of defaults based on the actual and prospective average credit quality of the fund's invested portfolio." The pool's "V1" volatility rating "reflects low market risk and a capacity to return stable principal value to meet anticipated cash flow requirements, even in adverse interest rate environments." Fitch has consistently rated the County Pool with their highest rating since FY 1994-95. Effective February 10, 2010, Fitch eliminated the V1+ rating from its Fund Volatility Rating scale and revised its highest rating to V1. On March 18, 2010, the County Pool's volatility rating was revised to "V1," to reflect the new highest rating. On March 17, 2011 and again on March 14, 2012 Fitch confirmed the County Pool's "AAA/V1" rating.

Department Goal: Ensure public funds on deposit in the County Treasury are properly managed, safeguarded and controlled, and that accounting is proper and accurate.

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

6. Performance Measure: Percentage of time that "no findings" is the result of the internal quarterly cash procedures audit by the County Auditor-Controller's Office and the annual Treasury audit by outside auditors. ***This performance measure is being deleted in FY 2012-13.***

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
100%	100%	100%	100%	100%	100%	Deleted

What: Each quarter, the County Auditor-Controller's Office conducts an unannounced cash procedures audit of the County Treasury. Annually, a firm contracted by the County, currently Gallina, LLP, requests access to office documents in order to conduct a departmental audit. These audits are required by government code. This measure tracks the results of the County Treasury's internal quarterly and external annual audits.

Why: Internal and external audits certify that procedures are being maintained to ensure effective internal control to safeguard, manage, and account for liquid assets.

How are we doing? The above audits have consistently resulted in no negative findings or recommendations. All of the quarterly cash procedures audits received in FY 2011-12 resulted in no negative findings or recommendations. The annual audit report for FY 2010-11 which was received in FY 2011-12, also was without findings or recommendations thus achieving the 100% target. In an effort to streamline the County Treasury performance measures, this performance measure is being combined with performance measure #3 in the new measure below, in order to have one performance measure which reflects the results of all audits of the County Treasury. The annual audit for FY 2011-12 has not yet been completed.

6. Performance Measure: Percentage of time that "no findings" is the result of the internal quarterly cash procedures audit by the County Auditor-Controller's Office, the annual County Treasury audit by outside auditors, and the annual audit ordered by the County Treasury Oversight Committee.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
New	New	New	New	New	100%	100%

What: The County Treasury is audited in several ways throughout the year to ensure accurate and proper accounting, and that proper procedures and internal controls are in place and being followed. Each quarter, the County Auditor-Controller's Office conducts an unannounced cash procedures audit of the County Treasury. Annually, an outside firm contracted by the County, currently Gallina, LLP, conducts an audit of the County's financial records, including the County Treasury. Also annually, the County Treasury Oversight Committee (CTOC) causes an audit to be conducted of the County Treasury's compliance with the approved Investment Policy. The CTOC is comprised of the County Auditor-Controller, a representative from the Board of Supervisors, a qualified member of the public with expertise in finance, and representatives of the schools which have monies deposited in the County Treasury. The CTOC also monitors the County Treasury investment pool's reporting throughout the year. These audits protect the public by ensuring that public funds are properly managed, safeguarded and controlled, and that accounting is proper and accurate. This measure tracks the results of these audits.

Why: Internal and external audits certify that public funds on deposit in the County Treasury are properly managed, safeguarded and controlled, and that accounting is proper and accurate.

How are we doing? The above audits have consistently resulted in no negative findings or recommendations. For prior year results, see measures #3 and the previous #6 above (both of which are being deleted in FY 2012-13 and combined into this one new measure #6). All of the audits received in FY 2011-12 resulted in no negative findings or recommendations. The annual audit for FY 2011-12 has not yet been completed.

Department Goal: Process tax payments promptly and accurately to provide timely availability of funds to the government agencies for which taxes are collected.

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

7. Performance Measure: Percentage of annual current secured property taxes owed that is not collected.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
3.5%	3.9%	3.5%	3.2%	3.5%	2.2%	3.1%

What: This measures the percentage of current secured property taxes that are owed but not collected.

Why: This measure demonstrates the County's compliance with legal mandates that require the collection of property taxes.

How are we doing? In FY 2011-12, San Luis Obispo County had an uncollected current secured tax charge percentage of 2.2%, or $8,642,948.86, which represents a decrease of 1% from FY 2010-11 levels. The State average for FY 2010-11 (the last year for which stats are currently available) was 3.0%. The decrease in the amount of delinquencies can be attributed to the department's continuing efforts to notify taxpayers of their tax status through a comprehensive Tax Status Letter, which was mailed in the fall and in the spring of FY 2011-12.

8. Performance Measure: Percentage of qualified delinquent unsecured taxes collected. ***This performance measure is being deleted in FY 2012-13.***

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
26%	24%	24%	31%	25%	39%	Deleted

What: This measures the percentage of qualified delinquent unsecured taxes that are collected.

Why: Revenue and Taxation Code 2963 limits active collection of taxes on the unsecured roll to three years from the date taxes become delinquent. This measure demonstrates the level at which unsecured taxes are collected within three years from the date taxes become delinquent.

How are we doing? In FY 2011-12, the amount of unsecured taxes eligible for delinquent collection efforts was $1,882,426.25. The collections unit collected $745,538.24 or 39% of the amount subject to active collections compared to the projected amount of $470,606 or 25%. Additional staff hours were devoted to delinquent collections, and there was an increase in the number of delinquent tax status notices mailed in FY 2011-12 which accounted for the increased percentage of amounts collected. Due to a lack of comparable county data, this performance measure is being eliminated in FY 2012-13.

Department Goal: Implement cost justified, proven technologies to improve automated processing and reporting systems to provide current, accessible, and accurate information for the public.

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

9. Performance Measure: Percentage of the customer service program that has been implemented which enables the public to review and transact business on-line.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
75%	80%	84%	80%	85%	85%	90%

What: The Treasurer, Tax Collector, Public Administrator website is being modified to allow for electronic commerce with the community. The department's Customer Service Program (CSP) is implemented in modules with the major portions of the program already in operation to benefit customers, such as Taxes on the Web (TOW) and the Property Tax Management System (PTMS). Over the course of the project, the program has expanded as additional customer needs are identified. This measure tracks the percentage of the implemented online services that will enable the public to review and transact business online.

Why: The ability to transact business on-line 24/7 is an important tool to improve the quality of service to the community. This measure reflects the Treasurer Office's progress in implementing online services to better serve the community.

How are we doing? The customer web interface for business license and transient occupancy tax payments was completed in the second quarter of FY 2011-12. For the coming FY 2012-13, the focus will be placed on completing the phone call logging system to more accurately record and track tax issues and tax information provided on individual property assessments as well as updating the Taxes on the Web program to provide more information in a faster and more efficient manner.

Department Goal: Expeditiously investigate and administer the estates of deceased County residents when there is no executor or administrator to protect estate assets in the best interests of the beneficiaries, creditors, and the County.

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

10. Performance Measure: Percentage of referrals to the Public Administrator that are completed with an initial investigation report, burial arrangements, and any required initial legal filing within 15 business days.

07-08 Actual Results	08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Target
100%	100%	80%	100%	100%	100%	100%

What: Measures the processing time for cases referred to the Public Administrator when no one is willing or able to take on a decedent's estate administration.

Why: This measure demonstrates the County's compliance with legal requirements and the expediency with which the County protects estate assets.

How are we doing? All cases referred to the Public Administrator are investigated and a decision to accept or decline the case is made within 15 business days. Each estate investigation begins immediately upon notification. The procedure involves extensive asset investigations, family location processes, and burial arrangements. In FY 2011-12, 32 estate referrals were investigated. In 19 of those estate investigations, either an heir or other responsible person was located to administer the estate, or it was determined that there were no estate assets to administer. The remaining 13 estates were accepted for administration by the Public Administrator pursuant to California Probate Code. In FY 2011-12, all of these 32 estate referrals were investigated and determined within the 15 business day policy. It remains the goal of the Public Administrator to promptly investigate and determine estate administrations within 15 business days.