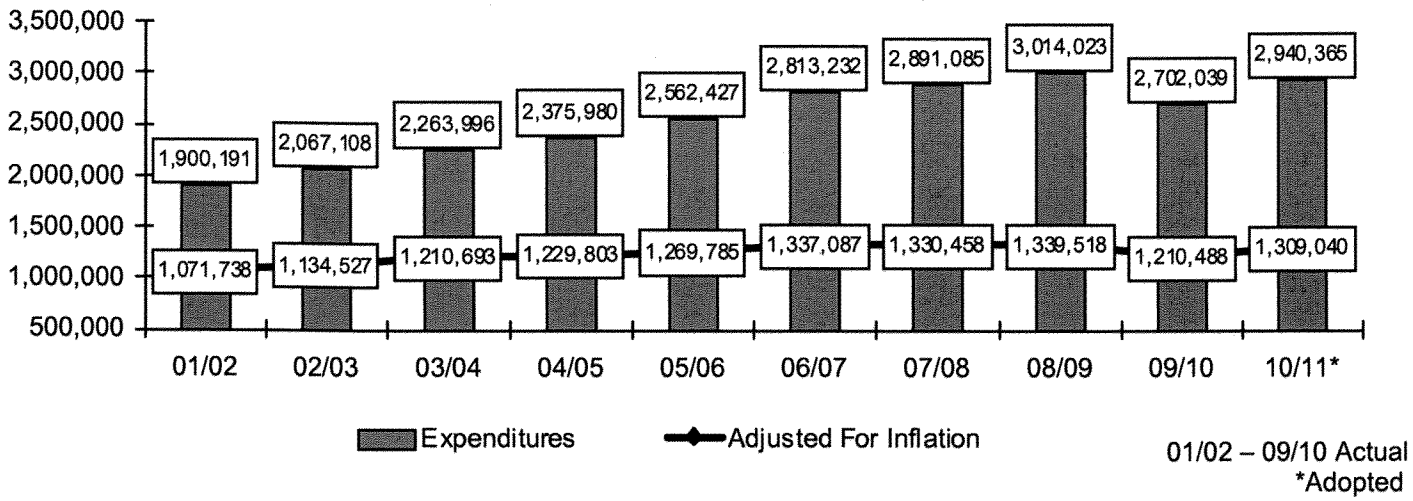
10 Year Expenditures Adjusted For Inflation



01/02 – 09/10 Actual
*Adopted

SERVICE PROGRAMS

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: $146,480 Total Staffing (FTE): 1.59

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, wills; and ensuring payments to creditors.

Total Expenditures: $159,623 Total Staffing (FTE): 1.32

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: $1,093,010 Total Staffing (FTE): 10.27

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: $336,893 Total Staffing (FTE): 3.78

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: $892,463 Total Staffing (FTE): 7.66

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: $311,896 Total Staffing (FTE): 3.38

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.

Internal Business Improvements

FY 2009-10 Key Accomplishments

- Enhanced the Transient Occupancy Tax System to provide internal controls and reporting for collecting the San Luis Obispo County Tourism Business Improvement District (SLOCTBID) assessment.
- Streamlined the daily Treasury balancing and funding processes for greater efficiency by utilizing expanded features of worksheet automation.

FY 2010-11 Goals

- Perform reviews on key processes to evaluate that all tasks are necessary and efficient, while meeting department objectives and customer needs.
- Initiate a Redemption Installment Plan System to provide flexibility to taxpayers and improved accounting and controls to related Tax Collector and Auditor processes.

Finance

FY 2009-10 Key Accomplishments

- Implemented E-billing for tax bills providing taxpayers with a convenient option to receive tax bills electronically. Taxpayers can also choose to receive email reminder notices of delinquent due dates. The results to the County are reduced costs for paper stock, handling, and postage.
- Managed the County's investments, receiving a rating of 'AAA/V1' by Fitch Ratings, a Nationally Recognized Statistical Rating Organization. The Investment Pool has received and maintained this highest rating available by Fitch since 1995.

FY 2010-11 Goals

- Manage the County's banking ensuring that services are cost effective and meeting the County's needs.
- Expand E-billing and E-payments for additional bill types and services.

Customer Service

FY 2009-10 Key Accomplishments

- Enhanced the Taxes on the Web, Property Tax Management System to provide taxpayers with the ability to manage single or multiple properties and/or bills.
- Continued enhancement of programs to allow for the exchange of tax information and payments transmitted electronically with lenders, title companies, and tax collection service (CORTAC) agencies.

FY 2010-11 Goals
- Implement Business License module which will allow the public to initiate a license application on-line.
- Initiate a Taxpayer Communication Tracking Program to provide staff with a complete communication history on any given property. The program will allow for improved customer service through better organized information and a faster method of retrieving communications with taxpayers.

Learning and Growth

FY 2009-10 Key Accomplishments
- Cross-trained several positions to ensure that backup is available allowing more flexibility for coverage and continuation of service for customers. Cross-training also benefits employees providing additional skills and knowledge.
- Conducted training classes to increase staff's knowledge of office software programs and office processes as training needs are determined.

FY 2010-11 Goals
- Maintain an office training library of PowerPoint and video training presentations accessible by staff.
- Continue to maintain the department's high percentage of customer satisfaction surveys which rate the performance as "excellent" or "good" from customers who are served in person, through the mail, or over the Internet, will be a challenge with a reduced budget. Our goal will continue to be 100% for department performance ratings of "excellent" or "good" from customer satisfaction surveys.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The FY 2010-11 recommended budget for the Treasurer-Tax Collector-Public Administrator decreased General Fund Support by 2.7% ($44,918) compared to FY 2009-10 adopted. The decrease of General Fund Support was achieved by reducing various supply accounts for items, such as replacement of broken chairs, scheduled computer replacement, and purchase of return envelopes. These reductions are not expected to cause any additional service level impacts.

Overall, revenues increased by 1% ($13,446) and expenses were reduced by 1% ($31,472) compared to FY 2009-10 adopted. Salary and benefit accounts decreased by <1% ($3,577) primarily due to a decrease in Workers' Compensation costs which were significant enough to offset all the increase in costs due to prevailing wage and pension rates. Services and supplies decreased by 8% ($27,895).

BOARD ADOPTED CHANGES

None

GOALS/PERFORMANCE MEASURES

Department Goal: Provide helpful, courteous, responsive service to County departments and the public while accommodating all reasonable requests.

Communitywide Result Link: A well-governed community.

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

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
99%	97%	97%	98%	100%	98%	100%

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

Why: To ensure effective customer service and track changing customer expectations.

How are we doing? In FY 2009-10, the department received 60 completed customer satisfaction surveys from the public service counter. Fifty-nine (59) survey responses or 98% rated the service as "excellent or good." One (1) rated the service as "poor" due to not having a North County Tax Office. 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.

Department Goal: Manage the 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: A prosperous community.

2. Performance Measure: Percentage of public funds invested.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
99%	99%	99%	99%	99%	99%	99%

What: The percentage of available funds invested.

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 County Treasury is able to invest such a high proportion of the funds because of the use of modern banking techniques such as electronic transfers, controlled disbursements, and on-line account tracking.

3. Performance Measure: Percentage of time that the annual County Treasury Oversight Committee investment policy compliance audit results in 100% compliance.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
100%	100%	100%	95%	100%	100%	100%

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.

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 2008-09 (conducted in FY 2009-10) resulted in no 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.

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 Local Agency Investment Fund (LAIF).

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
75%	67%	92%	83%	100%	100%	100%

What: Investment yield (return on investments minus all administrative and banking costs) of the County Treasury Pool is compared to the State investment fund – LAIF yield. LAIF is an investment fund, whereas, the County Treasury is an operating fund which must cover the costs of daily operations. LAIF is utilized as a standard benchmark by all California counties as an indicator that investment portfolios are following the market. As of June 30, 2010, the LAIF portfolio was $69 billion versus the County Treasury portfolio of $568 million.

Why: By law, the investment yield is the third priority after safety and liquidity are met. A comparison of the LAIF yield and County Treasury Pool yield is utilized as a portfolio analysis tool.

How are we doing? The Treasury net yield was within the targeted variance of 0.5% compared to the LAIF net yield during FY 2009-10. The Treasury Pool's laddered investment strategy with maturities of up to three years has minimized the impact of the current lower interest environment.

Department Goal: Maintain modern, efficient treasury cash management and banking systems, providing proper internal controls to safeguard, manage, and account for liquid assets.

Communitywide Result Link: A prosperous and well-governed community.

5. 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.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
100%	100%	100%	100%	100%	100%	100%

What: Treasury internal quarterly and external annual audit results.

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? Each quarter, the County Auditor's Office conducts an unannounced cash procedures audit of the County Treasury. Annually, the firm contracted by the County, currently Gallina, LLP, requests access to office documents in order to conduct a departmental audit. The County Treasury has consistently passed the audits with no negative findings. If a suggestion is made by the audit team which will further improve the County Treasury procedures, the suggestion is discussed and incorporated. The annual audit report for FY 2008-09 which was received in FY 2009-10, was without recommendation thus achieving the 100% target. This audit is required by government code.

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

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1"	"AAA/V1"

What: Independent rating of creditworthiness.

Why: Credit ratings are an objective measure of the County's ability to pay its financial obligations. The investment pool's "AAA" rating reflects the credit quality and diversification of the underlying assets, and appropriate management and operational capabilities. The pool's "V1+" volatility rating reflects low market risk and a strong capacity to return stable principal value to participants, as well as to meet anticipated cash flow requirements, even in an adverse interest rate environment.

How are we doing? Fitch Ratings, Inc. ("Fitch"), a nationally recognized statistical rating organization, has assigned a managed fund credit rating of "AAA" and a market risk rating of "V1" to the County Pool. Fitch has consistently rated the County Pool with their highest rating since FY 1994-95. The County Pool's "AAA" rating reflects the credit quality and diversification of the underlying assets in the portfolio, and appropriate management and operational capabilities. The County Pool's "V1" volatility rating reflects low market risk and strong capacity to return stable principal value to participants, as well as to meet anticipated cash flow requirements, even in an adverse interest rate environment. 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.

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: A prosperous community.

7. Performance Measure: Collection costs as a percentage of current secured taxes collected.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
0.25%	0.25%	0.25%	0.22%	0.25%	0.22%	0.25%

What: Costs to collect current secured taxes.

Why: To comply with the legal mandate to collect current year property taxes.

How are we doing? In FY 2009-10, the total amount of secured taxes was $439,486,025. Of this figure, the department collected approximately $423,898,393 or 97%. The Treasurer-Tax Collector's collection costs for FY 2009-10 were approximately 0.22%. Not all of the comparable counties have a mechanism for tracking costs. Placer County, the closest to San Luis Obispo County in the number of assessments, had a collection cost of 0.24% for FY 2008-09.

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

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
1.6%	2.2%	3.5%	3.9%	3.5%	3.5%	3.5%

What: Collection of property taxes.

Why: To comply with legal mandates that require the collection of property taxes.

How are we doing? In FY 2009-10, San Luis Obispo County had an uncollected current secured tax charge percentage of 3.5%, or $14,844,499. The last available state average was 4.3% for FY 2008-09. FY 2009-10 showed a decrease of 0.4% over FY 2008-09. The result is consistent with an improving economy.

9. Performance Measure: Percentage of qualified delinquent unsecured taxes collected.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
32%	36%	26%	24%	25%	24%	25%

What: Collection of delinquent unsecured taxes.

Why: Revenue and Taxation Code 2963 limits active collection of taxes on the unsecured roll to three years from the date taxes become delinquent.

How are we doing? In FY 2009-10, the collections unit collected $832,685 or 24% of the amount subject to active collections compared to the projected amount of $850,927 or 25%. The decrease is due primarily to reduced staffing, which has impacted collection efforts. Comparable county data is not available.

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: A well-governed community.

10. Performance Measure: Percentage of the implemented customer service program that will enable the public to review and transact business on-line with the Treasurer, Tax Collector, Public Administrator's Office.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
85%	70%	75%	80%	85%	84%	90%

What: The Treasurer, Tax Collector, Public Administrator website will be modified to allow for electronic commerce with the community.

Why: The ability to transact business on-line 24/7 is an important tool to improve the quality of service to the community.

How are we doing? 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 customer needs are identified, then added to the program. This year, the second segment of the paperless billing module was made available to customers enabling them to elect to discontinue receiving a paper tax bill. This is in addition to the PTMS ability to offer to customers email reminders of tax bill due dates. San Luis Obispo County was the only county in the State of California that offered electronic billing in FY 2009-10.

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: A well-governed community.

11. 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.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
100%	100%	100%	100%	100%	80%	100%

What: Cases referred to the Public Administrator when no one is willing or able to take on a decedent's estate administration.

Why: To ensure compliance with legal requirements and protect the estate assets.

How are we doing? In FY 2009-10, 25 estate referrals were investigated. In 17 of those investigations, an heir or responsible person was located to administer the estate, or it was determined that there were no estate assets to administer. The remaining 8 estates were administered by the Public Administrator pursuant to the California Probate Code, along with 12 open estates from the previous fiscal year. In 5 of the 25 investigations, the determination to accept or decline the case was longer than the 15 day period, due to budget reductions, which resulted in Public Administrator staff being reduced by 50%. The reduction in staff could have an adverse effect on the ability to secure assets, administer estates effectively, and meet statutory requirements. The department is reviewing practices in an attempt to meet the 100% target in FY 2010-11.