

Support to County Departments

County Counsel

General Services
Fleet Services

Human Resources

Information Technology

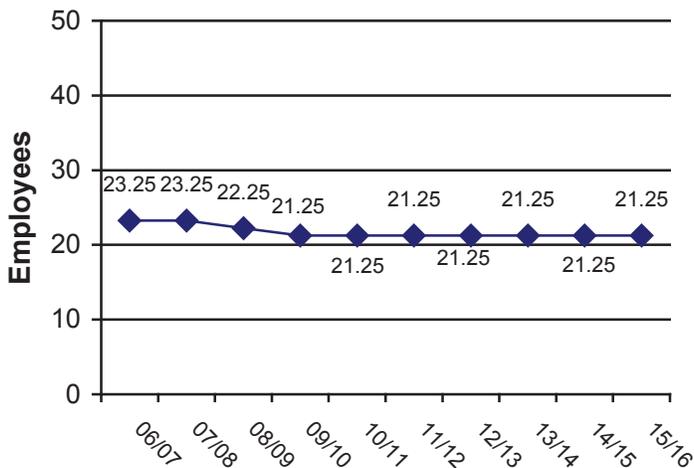
Risk Management
Self Insurance

MISSION STATEMENT

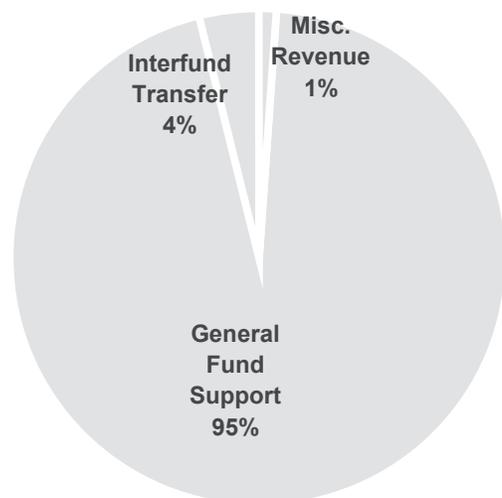
To provide accurate and reliable legal services to County departments, boards, agencies, and special districts in a manner which is cost effective and promotes excellence in delivery of government services to the public.

Financial Summary	2014-15	2014-15	2015-16	2015-16	Change From 2014-15
	Budget	Projected	Requested	Recommended	
Intergovernmental Revenue	\$ 3,500	\$ 3,500	\$ 1,000	\$ 1,000	\$ (2,500)
Charges for Current Services	48,000	33,000	41,200	41,200	(6,800)
Interfund	183,200	220,000	138,725	138,725	(44,475)
**Total Revenue	\$ 234,700	\$ 256,500	\$ 180,925	\$ 180,925	\$ (53,775)
Salary and Benefits	3,320,303	3,205,040	3,398,133	3,374,689	54,386
Services and Supplies	212,684	427,526	221,390	221,390	8,706
**Gross Expenditures	\$ 3,532,987	\$ 3,632,566	\$ 3,619,523	\$ 3,596,079	\$ 63,092
General Fund Support (G.F.S.)	<u>\$ 3,298,287</u>	<u>\$ 3,376,066</u>	<u>\$ 3,438,598</u>	<u>\$ 3,415,154</u>	<u>\$ 116,867</u>

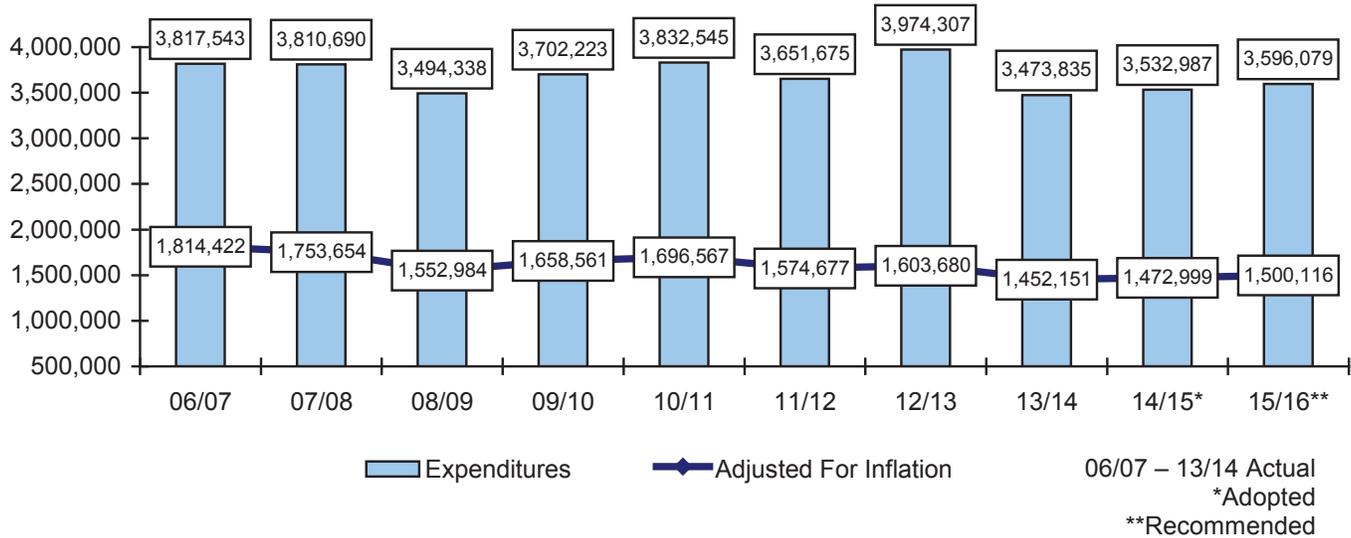
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



Support to County Departments

SERVICE PROGRAMS

County Council has a total expenditure level of \$3,596,079 and a total staffing level of 21.25 FTE to provide the following services:

Litigation

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

Total Expenditures: \$1,438,432 Total Staffing (FTE): 8.50

Legal Advice

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

Total Expenditures: \$2,157,647 Total Staffing (FTE): 12.75

DEPARTMENT COMMENTS

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

To the extent feasible, with respect to matters outside of the Risk Management Program, County Counsel seeks to reduce the use of outside counsel (which is generally more expensive than County Counsel) and to handle such matters in-house in order to preserve County funds. We continue to transition to on-line publications and legal research in order to decrease expenses.

Following are some of the department's notable accomplishments for the FY 2014-15 and some specific objectives for FY 2015-16:

FY 2014-15 Accomplishments

Representative favorable judgments or settlements:

- Upheld the enforcement of a \$1,412,355 environmental fine in the Golden Gate Petroleum matter.
- Upheld the legality of the Paso Robles Groundwater Basin Urgency ordinance.
- Successfully defended the Board's decision in *Mesa Dunes Mobilehome Estates v. County*.
- Participated in the Office Depot Class Action suit and as a result, the County is projected to collect \$410,000.

Notable advisory efforts:

- Advise on the implementation of the restructuring of the General Services Agency.
- Advise the Board of Supervisors and Public Works on the implementation of the Sustainable Groundwater Management Act.
- Facilitate and coordinate the actions taken by County Planning, County Parks, and the Coastal Commission to keep Ontario Ridge trail open to the public.
- Advise on the issuance of a construction permit for a new sober living environment at Sunny Acres.
- Advise County Planning regarding long-term land use ordinances addressing groundwater shortages throughout the County.

FY 2015-16 Objectives

- Advise on the formation of a countywide tourism marketing district.
- Advise on the on-line construction permit application process.
- Advise on the implementation of a countywide, uniform Conflict of Interest Code.
- Advise Public Works on the implementation of the Sustainable Groundwater Management Act.
- Advise on the petition for the formation of a Paso Robles Water District.
- Defend Nipomo Community Park Master Plan through trial and potential appeal.
- Defend the Board of Supervisors' and the Trial Court's decisions in *Mesa Dunes Mobilehome Estates v. County* at the Court of Appeal.
- Provide review and advice through public hearings on the Phillips 66 Rail Spur Project and any subsequent litigation.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

General Fund support for County Counsel is increasing by \$116,867 or 3% as compared to FY 2014-15 amounts. This increase is driven by a combination of a reduction in revenue, increases in salaries and benefits and services and supplies. Overall, revenue is decreasing by \$53,775 or 22% with the majority of the decrease (\$44,475) occurring in legal services provided to FC 405 – Public Works Internal Service Fund. The total number of legal service hours is projected to decrease by 285 hours with 250 of those hours attributed to work previously done for Public Works. Also contributing to this is the decrease in the Board adopted per hour fee for these services, from \$165 to \$150. Hours charged are based on a combination of actual hours expected to be worked over the past fiscal year as well as projection of hours to be spent in FY 2015-16 based on experience and workload.

Salaries and benefits are recommended to increase slightly, \$54,386 or 1% when compared to FY 2014-15 adopted amounts. This increase is due to the salary and benefit increases approved in FY 2014-15. Services and supplies accounts are increasing by \$8,706 or 4%. This increase is primarily due to a 55% (\$5,790) increase in liability insurance charges and a 27% (\$3,099) increase in the amount paid on behalf of the attorneys for the State Bar Association membership fee. This specific increase is the result of labor negotiations with the Deputy County Counsel's Association. The remainder of the department's services and supplies are flat within adopted FY 2014-15 adopted levels.

No service level impacts are anticipated based on the recommended level of General Fund support for FY 2015-16.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

None requested.

GOALS AND PERFORMANCE MEASURES

Department Goal: Represent the County and advocate to protect the interests of the client in cases which address the special needs of fragile populations in the community (children referred to Child Welfare Services, residents receiving mental health care, and individuals requiring financial conservatorship), as well as estates without probate representation.

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

1. Performance Measure: Proceedings in which legal advice is provided to Child Welfare Services (CWS) and advocate representation is provided in court to assure that the law is followed while attempting to achieve results that are in the best interest of the child.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
690	695	651	729	675	649	683

What: A large number of proceedings are handled annually by CWS to protect the children of our community. County Counsel provides legal representation in all matters on the court's weekly CWS Calendar, any contested hearings and/or trials, and all CWS Mediations.

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

How are we doing? It should be noted that the County Counsel's office has virtually no influence on the number of proceedings that are referred to our department. We advise and represent the Department of Social Services (DSS) in legal proceedings as requested by DSS. In FY 2014-15, County Counsel expects approximately 307 petitions to be filed (calendar items), 281 contested hearings/trials and 61 mediations. The number of proceedings depends on numerous factors beyond our control, including (1) the number of proceedings initiated by participants in the juvenile court (DSS, parents, children, etc.); (2) the mix of proceedings that need to be disposed of (e.g., more complex proceedings consuming large amounts of court and DSS resources generally means that fewer short cases can be processed by the court and DSS); and (3) the amount of juvenile court resources available to hear proceedings, which tends to be finite. Not included in the figures above are the number of writs and appeals that are filed in regard to these cases. It should also be noted that the number of writs and appeals are beyond our control as are changes in statutes or case law each of which can trigger a significant number of related appeals. Nonetheless, a significant amount of work is required to prepare responses to these writs and appeals and to prepare for argument before the Court of Appeal. No comparable data from other counties is available.

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
148	156	153	153	170	182	168

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

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

How are we doing? In FY 2014-15, County Counsel expects approximately 54 Habeas Corpus matters to be handled by our office. At present, there are 121 ongoing/active conservatorship cases, as well as 7 estate matters from the Public Administrator. The number of conservatorship cases has increased slightly and the complexity of these cases continues to increase resulting in more hours of preparation and a greater number of court appearances than in years past. No comparable data from other counties is available.

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

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

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
97%	100%	98%	99%	99%	99%	100%

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

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

How are we doing? Results are calculated by comparing the number of clients the department represents (106) with the comments received. To date, in FY 2014-15, 105 clients reported that advice from County Counsel was clear, relevant, and timely, with just 1 client having less than positive comments. County Counsel strives to maintain a high level of client satisfaction by closely monitoring attorney and staff assignments to create a better fit with the client and by matching attorney and staff experience with client requirements. No comparable data from other counties is available.

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
99%	91%	92%	88%	98%	91%	92%

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

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

How are we doing? In FY 2014-15, County Counsel expects approximately 3,754 requests for legal advice to be submitted by various departments. Our office expects that approximately 3,416 (91%) of these requests for legal advice will be completed within five working days. While FY 2014-15 projected performance percentage is below the adopted amount, it is an improvement from FY 2013-14 actual results. Many of the requests for legal advice require considerable time to complete due to their complexity or receipt of necessary information so acknowledgment does not mean that all aspects of the legal matter have been finalized. No comparable data from other counties is available.

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

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

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
.81%	.75%	.66%	.76%	.70%	.64%	.68%

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

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

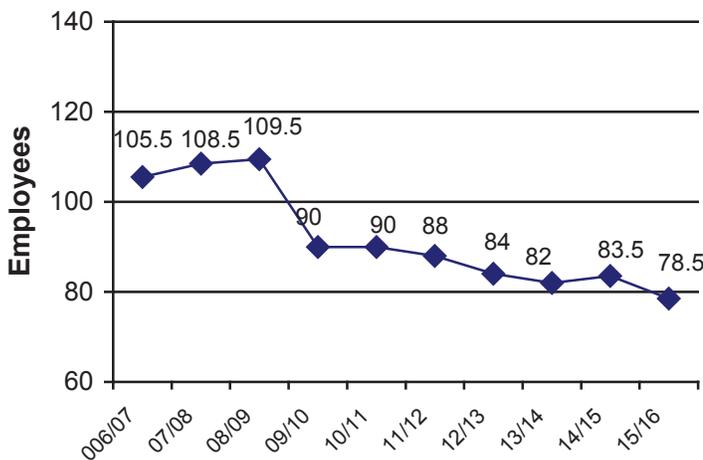
How are we doing? County Counsel's operating budget remains fairly consistent with prior years. The budget status includes funds that are encumbered periodically during the year for professional services (i.e., outside law firms and outside technical experts). These professional services are incurred on behalf of the County and are budgeted and paid for through County Counsel's budget. Those encumbrances are not included in our calculations for this measure. Our department's budget is primarily staff costs and fluctuations in staffing levels are the primary reason for year-to-year percentage variations in this measure. Accordingly, due to staffing vacancies in FY 2014-15, County Counsel's adopted net county cost as a percentage of the County Budget of .70% is projected to decrease to .64%. In FY 2015-16 our department expects to remain at or near full staffing levels; as a result, the target for this performance measure is increasing slightly to .68%. In spite of being fully staffed, this modest increase is due to hiring at lower salary levels. All non-staff costs are closely monitored and are not expected to significantly impact this performance measure. No comparable data from other counties is available.

MISSION STATEMENT

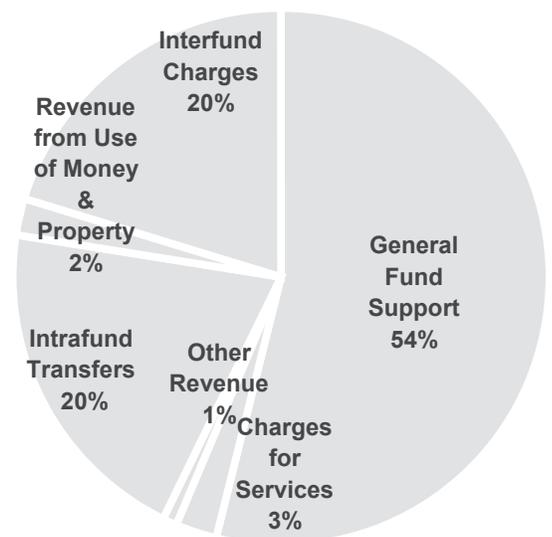
General Services provides cost effective, functional, safe facilities for San Luis Obispo County by delivering excellent services that enable the professional operation of County business.

Financial Summary	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change From 2014-15
Licenses and Permits	\$ 14,500	\$ 12,123	\$ 12,750	\$ 12,750	\$ (1,750)
Revenue from Use of Money & Property	241,968	259,056	264,968	264,968	23,000
Intergovernmental Revenue	4,198	4,198	8,302	8,302	4,104
Charges for Current Services	309,895	326,474	314,563	314,563	4,668
Other Revenues	95,361	95,186	103,668	103,668	8,307
Interfund	2,958,258	2,575,883	2,550,626	2,569,491	(388,767)
**Total Revenue	\$ 3,624,180	\$ 3,272,920	\$ 3,254,877	\$ 3,273,742	\$ (350,438)
Salary and Benefits	7,930,310	7,536,408	7,590,424	7,556,783	(373,527)
Services and Supplies	4,500,919	4,606,877	4,978,575	4,978,575	477,656
Other Charges	72,761	72,761	72,261	74,761	2,000
Fixed Assets	29,000	35,800	41,400	41,400	12,400
**Gross Expenditures	\$ 12,532,990	\$ 12,251,846	\$ 12,682,660	\$ 12,651,519	\$ 118,529
Less Intrafund Transfers	2,744,390	2,783,147	2,592,236	2,573,369	(171,021)
**Net Expenditures	\$ 9,788,600	\$ 9,468,699	\$ 10,090,424	\$ 10,078,150	\$ 289,550
General Fund Support (G.F.S.)	<u>\$ 6,164,420</u>	<u>\$ 6,195,779</u>	<u>\$ 6,835,547</u>	<u>\$ 6,804,408</u>	<u>\$ 639,988</u>

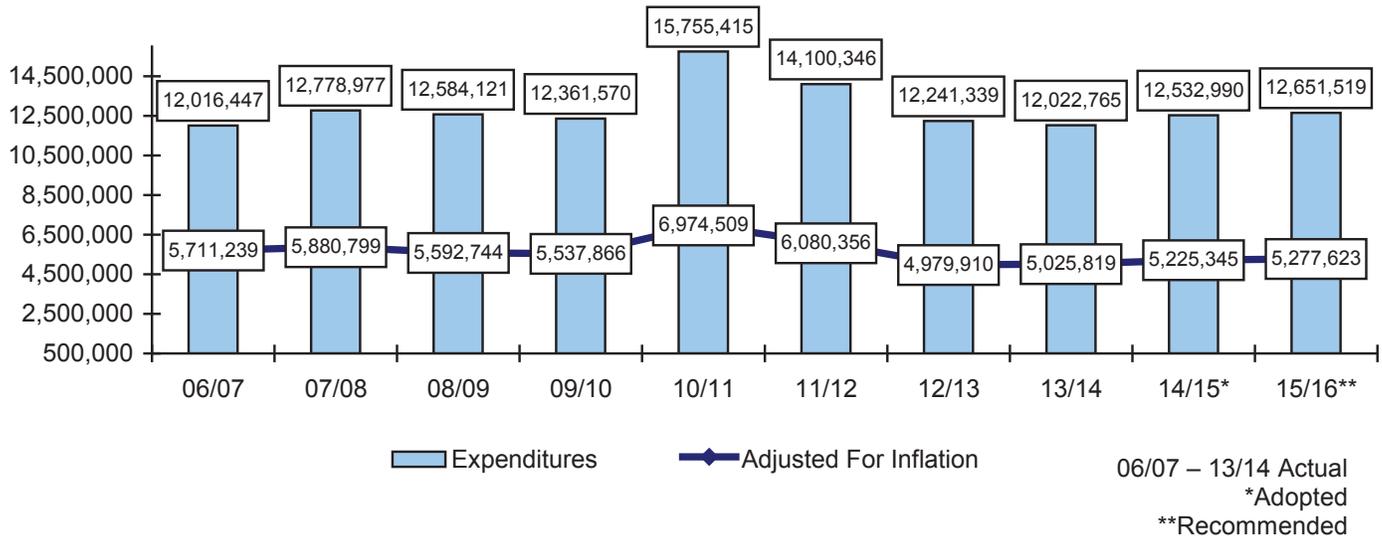
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



Support to County Departments

SERVICE PROGRAMS

General Services has a total expenditure level of \$12,651,519 and a total staffing level of 78.50 FTE to provide the following services:

Administration and Financial Services

Provide general management and financial management to General Services, Fleet Services, Maintenance Projects and Capital Projects.

Total Expenditures: \$1,397,938 Total Staffing (FTE): 8.50

Architectural Services

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

Total Expenditures: \$1,416,137 Total Staffing (FTE): 11.00

Central Mail Services

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

Total Expenditures: \$594,171 Total Staffing (FTE): 2.00

Purchasing Services

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

Total Expenditures: \$369,123 Total Staffing (FTE): 4.00

Custodial Services

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

Total Expenditures: \$2,006,300 Total Staffing (FTE): 24.00

Facility Maintenance Services

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

Total Expenditures: \$3,355,196 Total Staffing (FTE): 24.00

Utility Services

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

Total Expenditures: \$1,060,089 Total Staffing (FTE): 1.00

Real Property Services

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

Total Expenditures: \$2,452,565 Total Staffing (FTE): 4.00

DEPARTMENT COMMENTS

The General Services Department provides all departments and agencies of San Luis Obispo County facility maintenance, custodial, project management, fleet, purchasing, and real property services that are cost effective and enhance the operations of the County.

In FY 2014-15, the General Services Department was created from the dissolution of the General Services Agency. The department is comprised of five divisions; Architectural Services, Facilities Services, Real Property Services, Purchasing, and Fleet. The General Services Department comments regarding Fleet are addressed in a separate section. These divisions provide project development, design management, and a construction management portfolio of approximately \$90 million; building maintenance and custodial services for approximately 130 facilities with a combined square footage of 1.4 million; management of 112 leased properties totaling 171,445 square feet and 320 parcels totaling 3,000 acres of County-owned real estate; building energy and utility management; centralized purchasing of all goods and services for County departments accounting for \$186 million through the financial system (SAP); and delivery of nearly one million pieces of external and internal mail.

Following are some of the department's notable accomplishments for FY 2014-15 and some specific objectives for FY 2015-16:

FY 2014-15 Accomplishments

- Completed renovation of the Morro Bay Library, creating 30% more usable interior space and Americans with Disabilities Act (ADA) accessible features.
- Completed the modernization of a 50-year old elevator in the Courthouse Annex.
- Within 14 months of project concept, performed structural assessments, obtained permits, completed the design, ordered materials, and awarded the construction contract to fully restore the Cayucos Pier.

FY 2015-16 Objectives

- Complete the Cayucos Pier Rehabilitation construction project and open the pier to the public during the summer of 2015.
- Complete construction of the housing unit on the multi-year, AB900-funded, Women's Jail Expansion project and begin the final phase of construction, which will include a medical facility.
- Complete the multi-year construction of the SB81-funded Juvenile Hall Expansion project and open the facility in the fall of 2016.
- Sell and close escrow on all four surplus and sales in Cambria and Atascadero for the Library.

- Negotiated a 20-year, 12,000 square foot build-to-suit office building lease for the Department of Social Services in Paso Robles.
- Achieved \$1,324,205 in cost savings through Purchasing by developing negotiating strategies and procurement initiatives.
- Implemented a new Informal Bidding ordinance, and amended the Purchasing Agent ordinance and Contracting for Services policy to better align with the California Uniform Public Construction Cost Accounting Act.
- Implemented an easier, simpler, more transparent process to submit capital project requests electronically.
- Awarded several key contracts: Master Agreement for PG&E's Sustainable Solutions Turnkey (SST) program, Energy and Water Manager Services contract, and a Facility Condition Assessment (FCA) contract.
- Achieve the Excellence in Procurement accreditation awarded by the National Procurement Institute.
- Perform Facility Condition Assessment site visits on 20% of County facilities and complete the draft reports to identify building deficiencies.

COUNTY AMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to increase by \$639,988 or about 10% compared to the FY 2014-15 adopted level. Revenues are recommended to decrease by \$350,438 or 9%, and expenditures are recommended to increase by \$289,550, or 2%.

The operational expense for General Services is funded through a combination of General Fund support and service charges for custodial, maintenance, architectural, property management, purchasing and other services that are provided to departments. Revenues are decreasing primarily due to the effects of the dissolution of the General Services Agency. This budget no longer includes the administrative functions of Parks, Golf, Information Technology, and Airports, therefore General Services is no longer receiving the revenue that reimbursed these costs.

Salary and benefits are recommended to decrease by \$373,527, or 4%, primarily due to no longer providing the administrative support discussed above. Overall, the decrease in expense in this fund center offsets increases in other fund centers, as certain functions and positions were transferred from the General Services Agency, resulting in the dissolution being relatively cost neutral. Salary and benefits also include funding to extend a Limited Term Associate Capital Projects Coordinator position that was created in May of 2012 to assist the Architectural Services Division in support of the Women's Jail Expansion and Juvenile Hall projects. The limited term position is currently set to expire at the end of FY 2014-15, but due to continued workload associated with these major capital projects, it is recommended that the position be extended through FY 2015-16. Salary and benefits also includes prevailing wage adjustments approved in FY 2014-15. This expense category also reflects the removal of funding for a vacant utility coordinator position which the department has not filled. The funding for the position is being allocated to a professional service contract to perform the utility coordination function and will be re-evaluated based on performance of the contract. This category also includes funding for an additional Facilities Maintenance Mechanic I/II/III 1.00 FTE to support the maintenance requirements for the new Women's Jail.

**General Services
Fiscal Year 2015-16 Proposed Budget**

Fund Center 113

Services and supplies are recommended to increase \$477,656 or 10%, primarily due to increases in facility lease costs paid by General Services on behalf of the Department of Social Services (DSS). There are three new facilities for which General Services is paying rent, located in Morro Bay, Atascadero, and Paso Robles. Other rental agreements include scheduled Consumer Price Index increases. The increase in facility lease costs paid on behalf of DSS will eventually be recouped through future overhead allocations. Other variances include an increase in insurance charges (\$105,061), professional services primarily due to the utility coordination contract discussed above (\$84,204), a decrease in postage related to declining demand for the department's mail services (-\$50,404) and also decreases in various fleet-related costs due to returning three vehicles to the County vehicle pool (-\$51,476).

Fixed assets are budgeted at \$41,400 to fund the purchase of a scissor lift and an inspection camera.

Several changes have been made to General Services' Position Allocation List (PAL) in the current year, concurrent with the dissolution of the General Services Agency. These changes have had a net decrease on the department's number of authorized positions by 6.00 FTE.

- - 1.00 FTE Accountant I/II
- - 1.00 FTE Accounting Technician
- - 1.00 FTE Accounting Technician – Confidential
- - 2.00 FTE Administrative Services Manager
- +1.00 FTE Deputy Director of General Services Department
- - 1.00 FTE Deputy Director of General Services Agency
- +1.00 FTE Director of General Services
- - 1.00 FTE General Services Agency Director
- - 1.00 FTE Secretary II

As noted above, the FY 2015-16 budget recommends the extension of 1.00 FTE Limited Term Associate Capital Projects Coordinator position, as well as the addition of 1.00 FTE Facilities Maintenance Mechanic I/II/III. The result of the FY 2015-16 recommendations and changes in the current year is a net decrease of 5.00 FTE compared to FY 2014-15 adopted levels.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

Amount	Description	Results
Gross amount: \$46,354	Add 1.00 FTE Facilities Maintenance Mechanic I/II/III	This position will support the facility maintenance requirements of the new Women's Jail. Since the facility is anticipated to be operational beginning in December 2015, a partial year position cost is used for FY 2015-16.
General Fund: \$46,354		

GOALS AND PERFORMANCE MEASURES

Department Goal: Manage County purchasing services to maximize value for the County dollar.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Total cost savings provided to all County departments by Purchasing.						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	New Measure	\$1,324,205	\$650,000	\$1,250,000	\$1,500,000
What: A measure of the total cost savings provided to County departments by subtracting the departmental requisition or estimated cost less the actual cost to purchase the good or service.						
Why: To achieve the most competitive costs for goods or services purchased.						

How are we doing? Purchasing is projecting to exceed its adopted goal for FY 2014-15. A key factor is the success of the Strategic Procurement program, which aggregates departmental purchases into single purchases by early purchasing involvement. Key initiatives during FY 2014-15 will focus on the creating a Countywide spend analysis to evaluate additional cost saving opportunities for departments, and a local vendor outreach initiative, educating suppliers on how to do business with governmental agencies. In FY 2015-16, the target has been increased to align with past results.

Department Goal: Provide timely, reliable and cost-effective services that meet or exceed customer expectations.
Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

2. Performance Measure: Percentage of Customers rating their experience with General Services as “satisfactory” or better.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	89%	86%	90%	90%	90%

What: The aggregate percentage of those responding to an annual survey that rate General Services (Purchasing, Mail, Architectural Services, Maintenance, Custodial services) in terms of both efficiency and quality (timeliness, accuracy, courtesy and satisfaction) as “Satisfactory” or better.
Why: General Services is dedicated to delivering accurate, reliable, and timely services that are valued by our customers.
How are we doing? The General Services Department is projecting to meet the adopted FY 2014-15 goal. Overall, a focused effort to improve customer satisfaction will continue during the transition from the old agency to the new independent department. The FY 2015-16 target will remain at 90%.

Department Goal: Manage the County’s real estate assets and leases to support the operational needs of County Departments.
Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

3. Performance Measure: Percentage of customers rating the process and results as satisfactory or better. The process includes defining the space related business needs and meeting those needs with appropriate space and location.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	100%	91%	95%	95%	95%

What: The percentage of customers responding to ‘point-of-service’ survey or interview, conducted at the completion of each transaction or project that rate Real Property Services transactions in terms of quality and timeliness as Satisfactory or better. This includes the lease and permitting processes.
Why: To encourage timely processing of requests and high quality transactions by measuring customers responses.
How are we doing? Real Property Services is projecting to meet its adopted target in FY 2014-15. With three out of four staff members new to Real Property Services, the focus will be on training new staff while maintaining high customer satisfaction. The FY 2015-16 target has been set equal to the adopted FY 2014-15 measure.

Department Goal: Provide cost-effective, reliable and safe facilities and property for County use.
Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

4. Performance Measure: Percentage change (as well as actual dollar change) of the Average Per- square-foot Maintenance and Custodial costs, as compared to the previous year.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	-4% / -\$0.14	-4%/- \$0.17	0% / \$0	0% / \$0	0% / \$0

What: A comparison of the percentage change and actual dollar change in the per-square-foot costs of County owned facilities as compared to the previous year.
Why: This is a measure of effective management of County facilities. Facility costs per-square-foot are developed annually as part of General Services Fees. This will create the basis for year-over-year comparisons. The goal is to keep the cost of ownership of County facilities flat or decreasing while ensuring optimal performance in terms of function and reliability.

How are we doing? General Services is projecting to meet or exceed the adopted target with no significant changes expected to County facilities sq. ft. in FY 2014-15. The FY 2015-16 target has been set equal to the FY 2014-15 measure as there are no significant anticipated changes in County facilities sq. ft.

5. Performance Measure: The percentage of Corrective Maintenance (CM) work orders completed by Maintenance staff within seven days.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	79%	73%	81%	81%	82%

What: The percentage of Corrective Maintenance (CM) work orders completed within the expected seven working day time frame for the fiscal year. The average number of annual work orders for CM is approximately 5,000.

Why: Timely completion of CM work orders is highly visible to our customers and contributes to excellent customer service.

How are we doing? Facility Services is projecting to meet its adopted FY 2014-15 measure. Currently, non-urgent CM work orders are completed on a 14 working day time frame rather than a 7 day time frame with the purpose of selecting critical Preventive Maintenance (PM) work orders with the goal of reducing the future quantity of Corrective Maintenance (CM) work orders. With the start-up of Facility Condition Assessments, General Services expects the findings will result in an increase to the total quantity of CM work orders. Facility Services goal is to reduce the quantity of CM work orders in future fiscal years, and has adjusted its FY 2015-16 target to reflect this strategy.

6. Performance Measure: Percentage of Preventive Maintenance (PM) work orders completed within 14 days.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	58%	37%	40%	50%	40%

What: The percentage of Preventive Maintenance (PM) work orders completed by Maintenance staff within the scheduled 14 working day time frame compared to the total amount generated from the automated work order system (SAP). The average number of annual Preventive Maintenance (PM) work orders is approximately 2,000.

Why: To monitor and improve the completion percentage for PM work orders. Timely completion of PM activities contributes to functional facilities and fewer CM or 'break-fix' calls. It leads to the most effective deployment of staff and optimizes the usefulness of the facilities to support our customers and the public.

How are we doing? Facility Services is projecting to exceed its adopted goal in FY 2014-15. Staff completed 115 PM work orders, 20% more than planned within the 14 working day time frame during the first quarter of FY 2014-15. In FY 2015-16, the target will remain unchanged.

7. Performance Measure: Percentage of Capital and Maintenance projects that were completed within expected time estimates.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New Measure	New Measure	70%	85%	90%	90%	90%

What: The percentage of Capital and Maintenance projects that were completed within expected time estimates and according to Project Customer expectations.

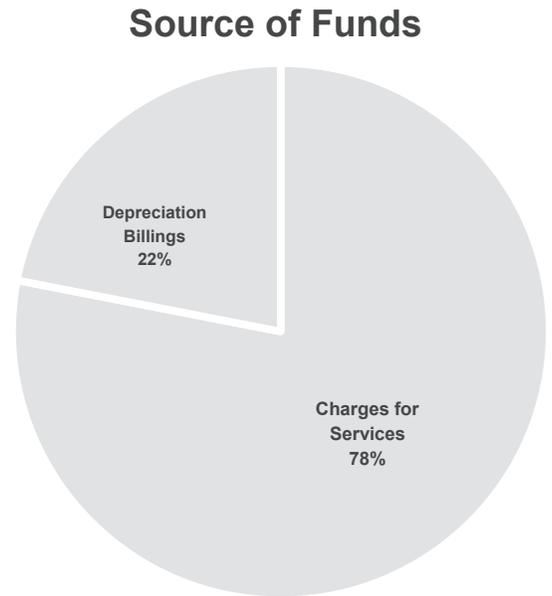
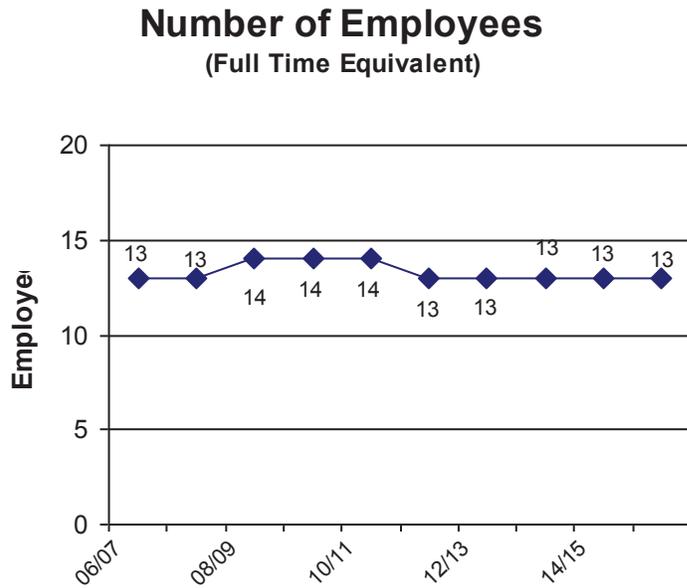
Why: Timely completion of capital and maintenance projects is one indicator of efficiency and contributes to functional facilities for our customer departments.

How are we doing? Architectural Services is projected to meet the adopted goal of 90% in FY 2014-15. Eight new projects were started during the first quarter of FY 2014-15, and 15 were completed, or are expected to be completed within time estimates. Continued improvements in project scope development, coordination with stakeholders, standardization of processes, and project management training will allow Architectural Services to meet the adopted target for FY 2015-16.

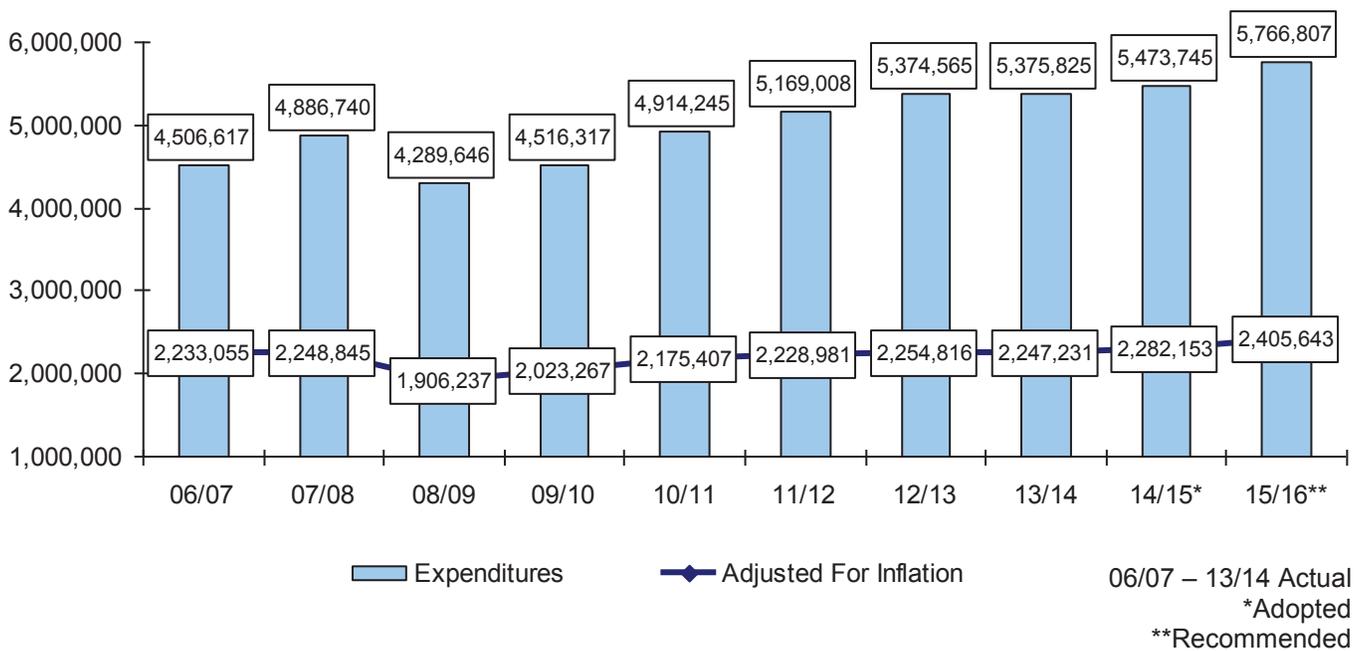
MISSION STATEMENT

Fleet Services provides reliable and cost effective transportation solutions through innovation and the application of industry best practices.

OPERATING DETAIL (1)	2013-14 ACTUAL (2)	2014-15 ESTIMATED (3)	2015-16 PROPOSED ESTIMATES (4)	2015-16 RECOMMENDED ESTIMATES (5)
OPERATING REVENUES				
Charges for current services	4,699,482	4,871,698	4,577,813	4,587,416
Depreciation Billings	<u>1,164,325</u>	<u>1,311,155</u>	<u>1,267,183</u>	<u>1,274,583</u>
TOTAL OPERATING REVENUES	5,863,807	6,182,853	5,844,996	5,861,999
OPERATING EXPENSES				
Salaries and Benefits	1,234,438	1,234,307	1,306,680	1,302,938
Services and Supplies	2,725,315	2,766,552	3,022,457	3,022,457
Depreciation	1,320,371	1,570,794	1,441,412	1,441,412
Countywide Overhead Allocation	<u>95,701</u>	<u>37,038</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING EXPENSES	<u>5,375,825</u>	<u>5,608,691</u>	<u>5,770,549</u>	<u>5,766,807</u>
OPERATING INCOME (LOSS)	487,982	574,162	74,447	95,192
NON-OPERATING REVENUES (EXPENSES)				
Interest	7,184	8,688	8,066	8,066
Accident Restitution	0	0	0	0
Gain on Sale of Assets	0	0	0	0
Other	153,461	0	0	0
Prior Yr Adj	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>160,645</u>	<u>8,688</u>	<u>8,066</u>	<u>8,066</u>
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	648,627	582,850	82,513	103,258
Transfers in (out)	<u>(91,507)</u>	<u>(42,551)</u>	<u>(48,540)</u>	<u>(48,540)</u>
CHANGE IN NET ASSETS	557,120	540,299	33,973	54,718
Net assets - beginning	7,545,963	8,103,083	8,643,382	8,643,382
Net assets - ending	8,103,083	8,643,382	8,677,355	8,698,100
FIXED ASSET EXPENDITURES				
Equipment	2,095,064	2,227,316	1,485,500	1,542,500
Structures Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FIXED ASSET EXPENDITURES	<u>2,095,064</u>	<u>2,227,316</u>	<u>1,485,500</u>	<u>1,542,500</u>



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

General Services - Fleet Services has a total operating expenditure level of \$5,766,807 and a total staffing level of 13.00 FTE to provide the following services:

Fleet Services Operations

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

Total Expenditures: \$5,766,807 Total Staffing (FTE): 13.00

DEPARTMENT COMMENTS

Fleet Services is responsible for providing consistent economical and efficient transportation solutions for County departments. It provides full life cycle fleet solutions designed to meet the specific needs of each department's unique operational requirements. Fleet Services is tasked with acquiring, maintaining and repairing a wide variety of vehicles and equipment in a timely, efficient and cost effective manner; performing all maintenance and repairs for the County-owned fleet and providing emergency repair services 24 hours per day, 7 days per week, and managing an on-site fuel station and fuel card system which interfaces with the fleet management software.

Following are some of the division's notable accomplishments for FY 2014-15 and some specific objectives for FY 2015-16.

FY 2014-15 Accomplishments

- Upgraded the county fuel station dispensing equipment to include Air Pollution Control District (APCD) compliant fuel pumps and fuel card communications software.
- Completed a customer survey and achieved a 99% customer satisfaction rating.
- Installed five electric vehicle 220 volt charging stations at County facilities to support the six electric vehicles purchased.
- Implemented a vehicle replacement strategy based on best life-cycle value rather than lowest acquisition cost.
- Modernized the vehicle emissions testing tools and processes in accordance with the Bureau of Automotive Repair's newest testing system.
- Completed California Air Resources Board (CARB) diesel emissions final tier level through the replacement of the final two County vehicles that didn't meet the CARB Tier IV emission requirements.

FY 2015-16 Objectives

- Implement a car sharing program that allows six underutilized vehicles to be shared between multiple departments.
- Complete a customer specific Service Level of Understanding (SLU) for all supported departments.
- Convert six of the County Sheriff's patrol vehicles from the Chevrolet Caprice to the Chevrolet Tahoe.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Fleet Services, a division of the General Services Department, is an Internal Service Fund (ISF), and as such, charges the departments that use its services and does not receive any General Fund support. The State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, Service Programs, and the 10-year expenditure chart use the information and data from the Schedule 10, including the amount allocated for depreciation. It is important to note that the comparison of estimated amounts in the Schedule 10 differs from the comparison of amounts in General Fund budgets. General Fund budgets compare the adopted budget amount to the recommended budget amount. The Schedule 10 for ISFs compares the estimated amount for FY 2014-15 to the proposed amount of new allocated expense and revenues recommended for FY 2015-16.

Fleet Services has two budgetary components. The first component is the operational budget, which includes revenues and expenditures related to the maintenance, modification, repair, and fueling of vehicles as well as the administrative and management oversight of these operations. The second component is capital expenditures which include the replacement of existing vehicles, the acquisition of new vehicles, and the expense for administration and management of the vehicle procurement process.

Recommended operating revenue for FY 2015-16 is \$5,861,999, a decrease of \$320,854 or 5% compared to FY 2014-15 estimates. The decrease is primarily due to decline in garage service revenue by \$246,076 from a reduced mileage charge rate and lower maintenance demand for Public Works vehicles.

Recommended operating expense for FY 2015-16 is \$5,766,807, an increase of \$158,116 or 3% compared to FY 2014-15 estimates. Depreciation expense, a non-cash expense that identifies the decline in value of capital assets, is \$1,441,412 or 25% of the recommended operating expense.

Salary and benefits for FY 2015-16 are increasing \$68,631 or 6% compared to FY 2014-15 estimates due to prevailing wage adjustments approved in FY 2014-15. Services and supplies are increasing \$255,905 or 9%.

There have been no changes to Fleet's Position Allocation List (PAL) in the current year and no changes are proposed in FY 2015-16.

The recommended budget includes a total of \$1,542,500 in capital outlay expense. Of this total, \$1,518,500 is for vehicle replacements. The FY 2015-16 budget funds the replacement of 47 cars and trucks for various departments. This is a decrease of 10 replacement vehicles from FY 2014-15. The recommended budget also includes \$47,800 for fixed assets related to garage equipment and a tractor/mower.

The recommended budget funds the replacement of vehicles which meet certain criteria, including exceeding 100,000 miles and five years of service. The primary exception is related to replacement of Sheriff Patrol vehicles which are replaced at 100,000 miles and three years of service. The recommended budget maintains current service levels associated with the maintenance and replacement of the County's vehicle fleet.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

None requested.

GOALS AND PERFORMANCE MEASURES

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

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

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
76%	80%	82%	83%	83%	83%	83%

What: Fleet Services' policy is to perform preventive maintenance on the current Fleet inventory of 850 vehicles every four months or 4,000 miles. For the current 194 Public Safety vehicles, the intervals are every two months or 5,000 miles. Fleet Service's goal is to perform preventative maintenance service requests within 24 hours of receiving the vehicle.

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

How are we doing? Fleet Services has met the adopted performance measure of 83% for all 1,523 service and repair work orders completed within 24 hours to date in FY 2014-15. The target for FY 2015-16 is projected to remain at 83%.

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
99%	98%	99%	99%	98%	98%	98%

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

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

How are we doing? Fleet Services has received a total of 84 survey responses to date in FY 2014-15, with 100% of ratings being satisfied or above to exceed the FY 2014-15 adopted performance measure. Based on the 84 survey responses received to date, it is projected that Fleet Services will meet or exceed the target of 98%. To obtain customer satisfaction input, Fleet Services conducts point-of-service surveys throughout the year and participates in the General Services annual survey at the end of the fiscal year. The point-of-service survey results have responded specifically to customer satisfaction questions related to Fleet with a 100% satisfactory or better rating. Results showed that 95.6% of responses were rated at the highest category of "Very Satisfied."

3. Performance Measure: Fleet Services' cost per brake service on Sheriff's patrol vehicles compared to a private vendor.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
\$606.90 Fleet \$941.53 Private vendor	\$571.74 Fleet \$883.45 Private vendor	\$651.98 Fleet \$945.84 Private vendor	\$621.19 Fleet \$ 904.58 Private vendor	\$668.00 Fleet \$970.00 Private vendor	\$668.00 Fleet \$970.00 Private vendor	\$802.74. Fleet \$1,212.32 Private vendor

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

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

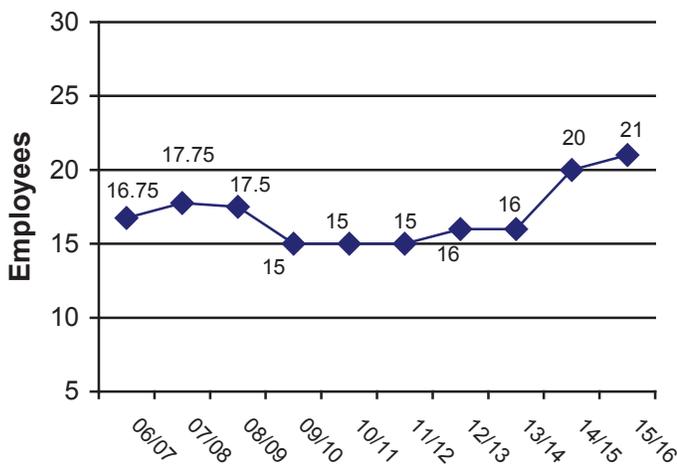
How are we doing? Actual Fleet Services work orders demonstrate a cost \$621.00, or \$47.00 less than the adopted cost of \$668.00. Based on these results, we project completing the current fiscal year at or below the adopted measure. The FY 2015-16 target will be based on the new Chevrolet Caprice patrol vehicle because the Crown Victoria will be fully phased out. Actual Fleet work orders and quotes from private vendors revealed that our average internal costs for the Caprice are \$787.52 and quotes from private vendors have averaged \$1,188.55 which illustrates that Fleet Services is 34% less expensive than the average private vendor thus far in FY 2014-15. Factoring in a 2% inflationary factor into the actual costs thus far in FY 2014-15, we project FY 2015-16 at \$802.74 for Fleet Services and \$1,212.32 for private vendors.

MISSION STATEMENT

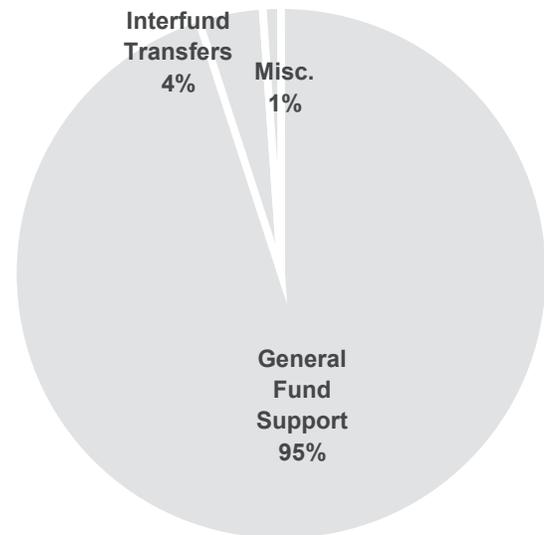
We recruit, select, develop, and support a high performing County workforce to deliver excellence in service to the community.

Financial Summary	2014-15	2014-15	2015-16	2015-16	Change From 2014-15
	Budget	Projected	Requested	Recommended	
Intergovernmental Revenue	\$ 3,630	\$ 3,630	\$ 1,800	\$ 1,800	\$ (1,830)
Charges for Current Services	35,550	30,750	33,550	33,550	(2,000)
Other Financing Sources	80,337	80,337	0	0	(80,337)
Interfund	142,804	223,141	152,971	128,600	(14,204)
**Total Revenue	\$ 262,321	\$ 337,858	\$ 188,321	\$ 163,950	\$ (98,371)
Salary and Benefits	2,193,950	1,912,000	2,224,525	2,454,841	260,891
Services and Supplies	399,787	599,578	540,643	533,143	133,356
**Gross Expenditures	\$ 2,593,737	\$ 2,511,578	\$ 2,765,168	\$ 2,987,984	\$ 394,247
General Fund Support (G.F.S.)	<u>\$ 2,331,416</u>	<u>\$ 2,173,720</u>	<u>\$ 2,576,847</u>	<u>\$ 2,824,034</u>	<u>\$ 492,618</u>

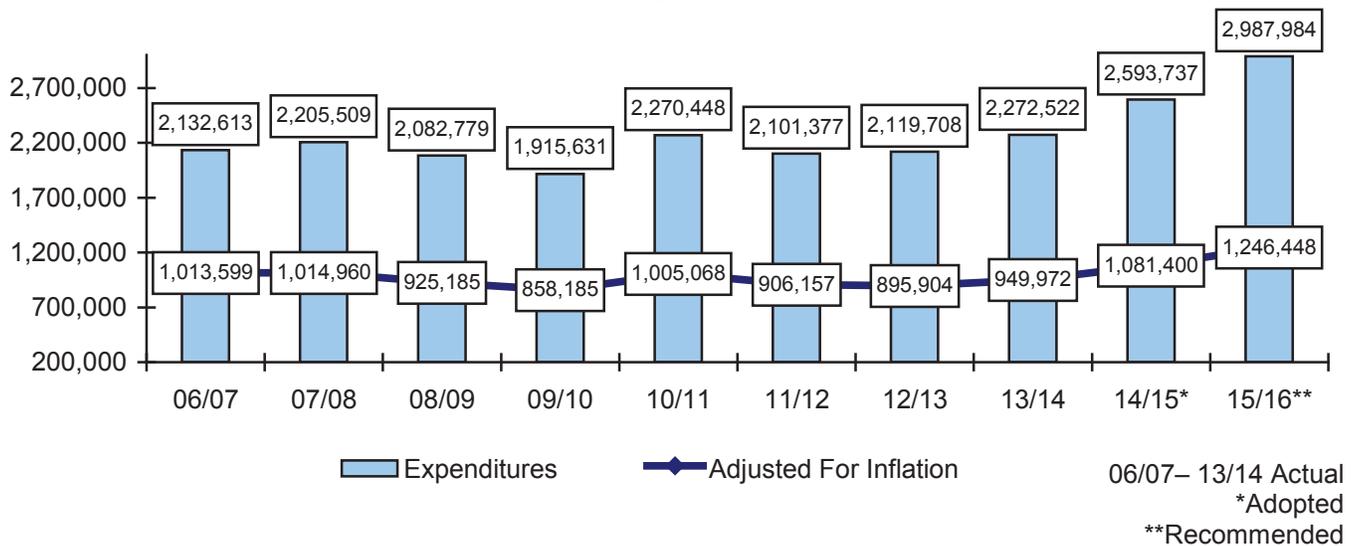
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



Support to County Departments

SERVICE PROGRAMS

Human Resources has a total expenditure level of \$2,987,984 and a total staffing level of 21.00 FTE to provide the following services:

Human Resource Services

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

Total Expenditures: \$1,772,703 Total Staffing (FTE): 13.85

Training and Development

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

Total Expenditures: \$188,183 Total Staffing (FTE): 1.90

Civil Service Commission Support

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

Total Expenditures: \$311,829 Total Staffing (FTE): 2.15

Labor Negotiations and Contract Management

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

Total Expenditures: \$715,269 Total Staffing (FTE): 3.10

DEPARTMENT COMMENTS

The Human Resources (HR) Department is responsible for providing the County's traditional personnel services (e.g., recruitment and testing, classification and compensation, departmental and employee consultation, training and development, and staff support to the Civil Service Commission), Labor Relations and Benefits Management, and Risk Management services (e.g., liability, workers' compensation, insurance, safety, and employee benefits). Funding for the programs are located in Fund Center 112 – Human Resources, Fund Center 105 – Risk Management, and Fund Centers 408 through 412 – the Self- Insurance Internal Service Funds.

A critical issue facing Human Resources is to meet the challenge of providing high quality and timely recruitment, selection, communication and development services to a rapidly changing workforce. A large number of retirements, new growth and reorganizations in programs that have been stagnant for many years, and assisting departments in preparing for employee exits and promotions provide challenges and exciting opportunities. In addition, Human Resources is in the process of implementing two major enterprise-wide system change efforts: 1) new technology that modernizes recruitment, on-boarding, performance management, and employee selection and 2) upgrading the County's focus on training and development through the new Learning & Development Center. Both these initiatives provide a foundation for addressing the County's workforce challenges.

Following are some of the department's notable accomplishments for FY 2014-15 and some specific objectives for FY 2015-16:

FY 2014-15 Accomplishments

- Reached labor contract agreements with six employee bargaining units in compliance with the Board's Labor Strategy.
- Maintained high performance of Risk Management programs as reflected in annual performance measure data reported in the budget, including better than average outcomes in dollars lost per liability or workers' compensation claims.
- Met the challenge of a significant workload increase in recruitment & selection activity over the prior year. Recruitments increased from 140 to 218 (55%) from FY 2012-13 to FY 2013-14. In FY 2014-15, we are projecting another 30% increase based upon 274 projected recruitments.
- Engaged with newly identified organizational development vendor to greatly expand the Learning and Development Center. Enhanced internal talent and supported succession planning through new supervisory and management academies.

FY 2015-16 Objectives

- Complete negotiations with the one remaining bargaining unit with an open contract from FY 2014-15, and the eleven employee bargaining units that have open contracts in FY 2015-16, in compliance with the Board's Labor Strategy.
- Continue building the Learning and Development Center through optimization of existing academies and courses and adding programs to support the County's vision and goals per feedback from employees. For instance, employees have requested more information about their benefits. Such courses will be created and offered to staff in this fiscal year.
- Engage in the County's effort to replace the aging Budget Preparation software, and integrate a new system into the Human Resources Information Systems (HRIS).
- Institutionalize the new HRIS by building out data and reporting structures to automate HR reports to departments on topics such as recruitment life cycle, leave management, turnover, baseline workforce planning and performance evaluation metrics.

- Replaced dated application technology with a new (HRIS) for applicant tracking, selection, onboarding, and managing employee performance. The new platform (NEOGOV) supports superior reporting and data-driven decision making.
- Reduced number of employees who 'opt out' of the County's medical benefit plans by eliminating the option for new employees, this was achieved through changes to all labor contracts represented by six of the nine employee organizations (plus unrepresented groups), which cover 2,250 of the 2,500 County employees. This effort is to increase opportunities for competitiveness in the healthcare market.
- Achieved Affordable Care Act compliance to date by confirming all County health plans meet legal requirements and establishing methods for Internal Revenue Service notification requirements.
- Maintain high performance of Risk Management programs as measured by the ten annual performance measures reported in the budget. These measures provided achievable stretch goals in the areas of safety, workers' compensation, liability and insurance.
- Issue a Request for Proposal to solicit proposals from Third Party Workers Compensation Administrators per the County's procurement policy.
- Focus on further required employment-related compliance with the Affordable Care Act, including measuring temporary employee work hours to determine qualifying health plan enrollment and submitting required reports to the IRS.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The Human Resources (HR) Department includes two General Fund budgets; Fund Center (FC) 112 - Human Resources and FC 105 - Risk Management. The level of General Fund support for these two fund centers combined is recommended to increase \$565,579 or 20% compared to the FY 2014-15 adopted level. (Information on the Self Insurance Internal Service Funds are reported separately.)

The most significant increase in General Fund support is in FC 112 - Human Resources; increasing \$492,618 or 21%. Revenues in FC 112 are recommended to decrease \$98,371 or 37% and total expenditures are recommended to increase \$394,247 or 15%.

Revenues are decreasing primarily due to the elimination of \$80,337 in one-time funding from FC 266 - Countywide Automation to cover the cost of a 1.0 FTE Limited Term Personnel Analyst position supporting the implementation of NEOGOV. This new system was implemented in FY 2014-15. While the position that had been funded with revenue from Countywide Automation is recommended to remain on the HR Position Allocation List (PAL) in FY 2015-16, the funding for this position is recommended to be covered by the General Fund. In addition, funding from the Self Insurance Internal Service Funds (FCs 408-412) to support the cost of the HR Director and Deputy Director positions and from Fund Center 275 – Organizational Development to pay for support staff for the Learning and Development Center, is recommended to increase a total of \$14,204 or 9%.

The most significant increase in expenditures is in salaries and benefits (increasing \$260,891 or 11%). This increase is due to the addition of 1.0 FTE Human Resources Analyst Aide – Confidential, extension of and the increased cost of the 1.0 FTE Limited Term position noted above (which was filled at a higher level than had been assumed in the FY 2014-15 budget,) the conversion of 2.0 FTE Administrative Analyst Aides and 1.0 FTE Human Resources Analyst Aide to Confidential series within the same classification and compensation increases approved by the Board in FY 2014-15. The Limited Term Personnel Analyst III position is recommended to be extended an additional year to support the selection and implementation of HR-related functions of a new Budget Preparation system and to continue business process changes needed for optimization of the new NEOGOV and talent measurement automation systems.

Services and supplies are increasing \$133,356 or 33%, primarily due to the transfer of the annual software maintenance costs for the new NEOGOV and talent measurement systems from FC 266 – Countywide Automation to the Human Resources budget. The annual cost for these two systems is \$162,790, and is partially offset by savings in annual maintenance costs that had previously been budgeted for the Job Apps system, which NEOGOV replaced. Other significant variances include an increase in the liability insurance charge to this

department of \$9,618 or 405%, a \$2,265 or 147% increase in postage to reflect current expenditures, and the elimination of \$2,100 in expense for computer purchases/replacements.

As noted above, The 1.0 FTE Limited Term Personnel Analyst III is recommended to be extended for one more year. In addition one new position is recommended to be added to the PAL; a 1.0 FTE Human Resources Analyst Aide- Confidential.

These two positions are addressed in the table below.

In addition, 2.0 FTE Administrative Assistant Series positions and 1.0 FTE Human Resources Analyst Aide position are recommended to be converted to the Administrative Assistant - Confidential Series, and the Human Resources Analyst Aide - Confidential respectively. This will give the Human Resources Director more flexibility to reassign staff to different programs and projects as needed.

Finally, it should be noted that the Board of Supervisors approved a PAL amendment in March, 2015, to delete 1.0 FTE Supervising Administrative Clerk – Confidential and replace it with a 1.0 FTE Administrative Services Officer I/II to improve the budgeting and fiscal management functions in the department.

Given the addition of the two positions, service levels for the Human Resources Department are expected to improve as described below.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

Unit Amount	Description	Results
Gross: \$155,416 General Fund support: \$155,416	Extend the duration of a 1.0 FTE Limited Term Personnel Analyst III for one more year, to support implementation of HR components of a new Budget Preparation system, and to continue implementation/optimization of the NEOGOV and CEB Talent Measurement systems.	1. Improve quality and transaction time in recruitment and selection process by reducing the time from requisition to start date from an average of 160 days to 120 days. 2. Implement data driven decision making by automating HR reports to departments on topics such as recruitment life cycle, leave management, turnover, baseline workforce planning and performance evaluation metrics. 3. Integrate new Budget Preparation system into County HR processes. 4. Achieve full integration of the Performance Evaluation module with SAP (the County's enterprise financial system) by June of 2016 to reduce manual data entry and increase the quality and availability of automated HR data.

<p>Gross: \$68,906</p> <p>General Fund support: \$68,906</p>	<p>Add 1.0 FTE HR Analyst Aide Confidential position to enable the HR department to meet increased demand for recruitments and free Personnel Analysts to work more on strategic business needs.</p>	<ol style="list-style-type: none"> 1. Analysts will transfer certain tasks to the HR Analyst Aide, so their time is freed up to implement industry best practices, providing strategically focused HR services. Analyst time will be spent more on value-added selection services and less on routine process work. 2. Achieve targeted timelines for processing of recruitments despite workload increases while also effectively implementing new automation processes.
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Also recommended is the addition of a Personnel Analyst III position to the Fund Center 275-Organizational Development PAL, to manage the Learning and Development Center.

BUDGET AUGMENTATION REQUESTS NOT RECOMMENDED

Unit Amount	Description	Results
<p>Gross: \$112,190</p> <p>General Fund support: \$112,190</p>	<p>Add 2.0 FTE Administrative Assistant Confidential series positions to enable the HR Department to meet increased demand for recruitments and free Personnel Analysts to work more on strategic business needs.</p>	<ol style="list-style-type: none"> 1. Increase HR department staffing level in order to get closer to the average staffing levels/1,000 employees of benchmark counties and other employers. 2. Ensure tasks are being performed by the appropriate classification – shifting lower level transactional tasks from Personnel Analysts.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Conduct, monitor, and evaluate recruitment and testing in a timely manner in order to provide County departments with qualified candidates while ensuring compliance with regulations and merit principles.</p>						
<p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>1. Performance Measure: Average number of calendar days to produce eligibility lists for departments for open recruitments.</p>						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
44 days	62 days	62 days	55 days	50 days	50 days	50 days
<p>What: This measures the time (recruitment final filing date through establishment of eligibility list) it takes Human Resources to provide departments with a list of qualified candidates to fill a vacant position after the recruitment closes.</p>						
<p>Why: The number of days to produce an eligibility list for recruitments is one measure of departmental workload and efficiency. Human Resources endeavors to provide eligibility lists as quickly as possible to maintain staffing levels adequate to provide services to the community.</p>						

How are we doing? In FY 2014-15, Human Resources is undergoing fundamental process and infrastructure changes while also experiencing an increasing number of recruitments. Elapsed days between the job posting date and the creation of an eligibility list ranged from 12 to 111 days (2550 days total) for 51 recruitments to date, for an average of 50 days. Comparable-entity data is not available.

2. NEW. Performance Measure: Average number of calendar days to fill positions for departments for open recruitments.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New	New	New	New	120 days	160 days	120 days

What: This measures the time it takes to fill a vacant position with an open recruitment process. "Time" is measured from when a hiring department requests that Human Resources initiate an open recruitment through the successful candidate's start date.

Why: The number of days to fill positions is one measure of departmental workload and efficiency. This measure also reflects the efficacy of the Human Resources Departments' strategic business partnership with other County departments. Human Resources endeavors to fill positions as quickly as possible to maintain staffing levels adequate to provide services to the community.

How are we doing? This is a new measure. Historically, Human Resources has measured only the time required to complete that portion of the work to fill a vacant position which was solely within the department's control (see performance measure number 1.) Although hiring department resource and timing constraints may impact this measure, Human Resources asserts that it is a better measure of our department's services and Countywide system performance. This new measure is important because candidates, County departments and the community view "time to fill" as the entire time it takes to recruit, select and place a candidate. Data collection for this new measure has begun in FY 2014-15.

3. Performance Measure: Percentage of departments rating their level of satisfaction with the overall recruitment process as above satisfactory or better.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New	New	80%	84%	85%	85%	85%

What: This measure represents the results of surveys completed by departments at the close of open recruitments as to the level of satisfaction with the overall recruitment process.

Why: Recruitment process satisfaction survey results are tracked to determine whether or not the recruitment process is effective in meeting departments' staffing needs. Survey results enable us to identify opportunities to improve the efficiency and effectiveness of recruitments.

How are we doing? Despite substantial process and infrastructure changes coupled with an increase in the number of recruitments departments' satisfaction remains above satisfactory. This is an ongoing survey of departments requesting recruitments through Human Resources. To date in FY 2014-15, we have received 29 survey responses and 21 have rated the overall recruitment process 'above satisfactory or better'. However, significant improvements underway, including implementation of the new NEOGOV system, portend higher satisfaction levels before year's end. Thus we anticipate reaching our adopted goal for this measure.

Department Goal: Serve as a strategic business partner through providing quality Human Resources expertise and services to County departments.

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

4. Performance Measure: Percentage of County departments that rate Human Resources' service as above satisfactory or better in serving as a strategic business partner and providing Human Resources expertise.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New	New	New	52%	70%	70%	75%

What: The Human Resources Department acts as a strategic business partner with County departments to provide innovative, effective, and responsive Human Resource services. Our goal is to attract, select, develop, and retain a talented and diverse workforce so that County departments can achieve their mission, and serve the citizens of the County. The Human Resources department surveys departments annually to determine their level of satisfaction with the quality of service our staff provides. The results of the survey reflect client perception of Human Resources' technical expertise as well as partnership in providing effective solutions based upon strategic and operational needs.

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

How are we doing? This measure replaced the former measure of timeliness, accuracy, and quality of service (competency). This survey covers a broader set of criteria and reflects Human Resources' new focus on the value of strategic business partnerships. The survey that supports this measure is conducted at year end.

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

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

5. Performance Measure: Percentage of concluded grievances and appeals resolved prior to a Civil Service Commission hearing

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
89%	75%	85%	100%	80%	100%	80%

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

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

How are we doing? There were 3 grievances/appeals concluded year to date in FY 2014-15. All were resolved prior to hearing. Because certain grievances or appeals may be more appropriately heard rather than resolved prior to hearing, a result of 100% resolution represents a high, but not always optimal, achievement rate. Comparable-entity data is not available.

6. Performance Measure: Number of grievances and appeals filed per 1,000 employees.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New	New	4.51	8.63	Less than 10	4.0	Less than 10

What: This measure tracks the number of grievances and appeals filed per 1,000 employees.

Why: The grievance/appeal rate is a possible reflection of the quality of Human Resources' policies and/or the conduct of departmental supervision or management. Exemplary Human Resources policies and practices, including HR dept training and consultation of/to departmental supervision and management should minimize the grievance/appeal rate.

How are we doing? Four grievances/appeals have been filed to date in FY 2014-15, for a workforce of 2,571 employees.

Department Goal: Provide an appropriate level of Human Resources support to enable our strategic business partners to cost-effectively attain their mission and goals.

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

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
6.3	6.3	6.6	5.6	Consistent with Industry Standards	7.4 Below Industry Standards	Consistent with Industry Standards

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

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

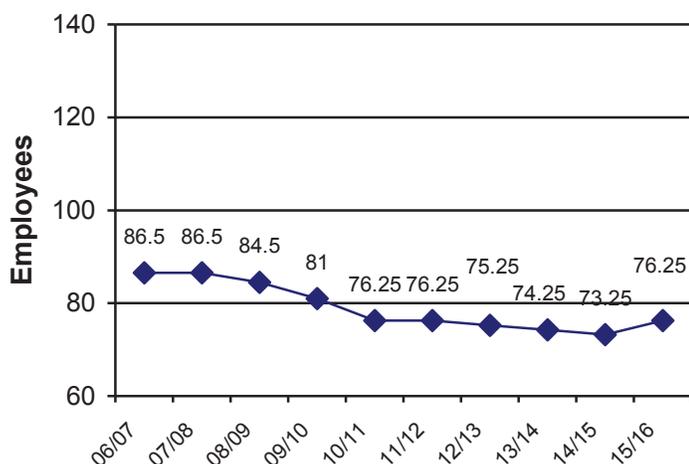
How are we doing? In FY 2014-15, Human Resources projects having 7.4 Personnel FTE per 1,000 employees (19.0 filled permanent FTE plus 1.0 FTE limited term, for a total County employee count of 2,571). Human Resource departments comparable to San Luis Obispo County's (including Placer, Solano, Sonoma, Marin, Butte County, Santa Barbara and Santa Cruz, and the City of San Luis Obispo) had an average Human Resources staffing level of 9.0 FTE per 1,000 employees in FY 2014-15. This industry standard is up from 8.4 per 1,000 employees in 2013-14. San Luis Obispo County remains below current industry standards by 3.0 Personnel FTE. The fact that the County employs fewer Human Resources staff per 1,000 employees than comparable Human Resource departments shows the County invests in Human Resources at a lower level than industry standards.

MISSION STATEMENT

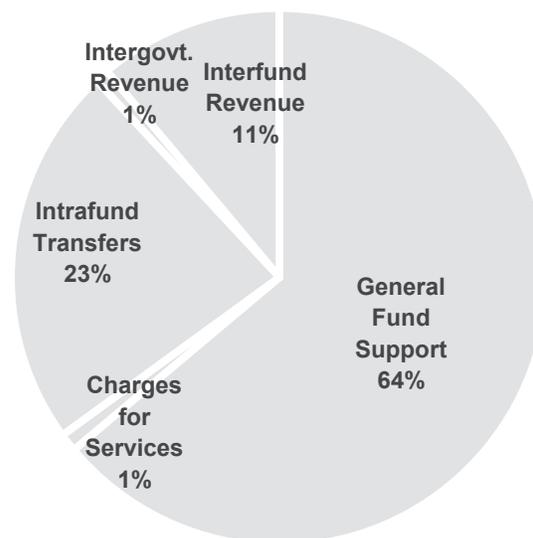
To provide cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community.

Financial Summary	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change From 2014-15
Revenue from Use of Money & Property	\$ 0	\$ 1,600	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	190,584	190,584	201,320	201,320	10,736
Charges for Current Services	146,733	146,733	138,845	138,845	(7,888)
Other Revenues	0	14,412	0	0	0
Other Financing Sources	0	107,298	0	0	0
Interfund	1,306,199	1,300,750	1,625,347	1,565,347	259,148
**Total Revenue	\$ 1,643,516	\$ 1,761,377	\$ 1,965,512	\$ 1,905,512	\$ 261,996
Salary and Benefits	9,972,342	10,470,740	10,399,165	10,387,505	415,163
Services and Supplies	3,601,244	3,783,746	3,875,561	3,924,811	323,567
Fixed Assets	0	65,700	56,000	0	0
**Gross Expenditures	\$ 13,573,586	\$ 14,320,186	\$ 14,330,726	\$ 14,312,316	\$ 738,730
Less Intrafund Transfers	2,858,311	2,860,947	3,116,485	3,256,880	398,569
**Net Expenditures	\$ 10,715,275	\$ 11,459,239	\$ 11,214,241	\$ 11,055,436	\$ 340,161
General Fund Support (G.F.S.)	<u>\$ 9,071,759</u>	<u>\$ 9,697,862</u>	<u>\$ 9,248,729</u>	<u>\$ 9,149,924</u>	<u>\$ 78,165</u>

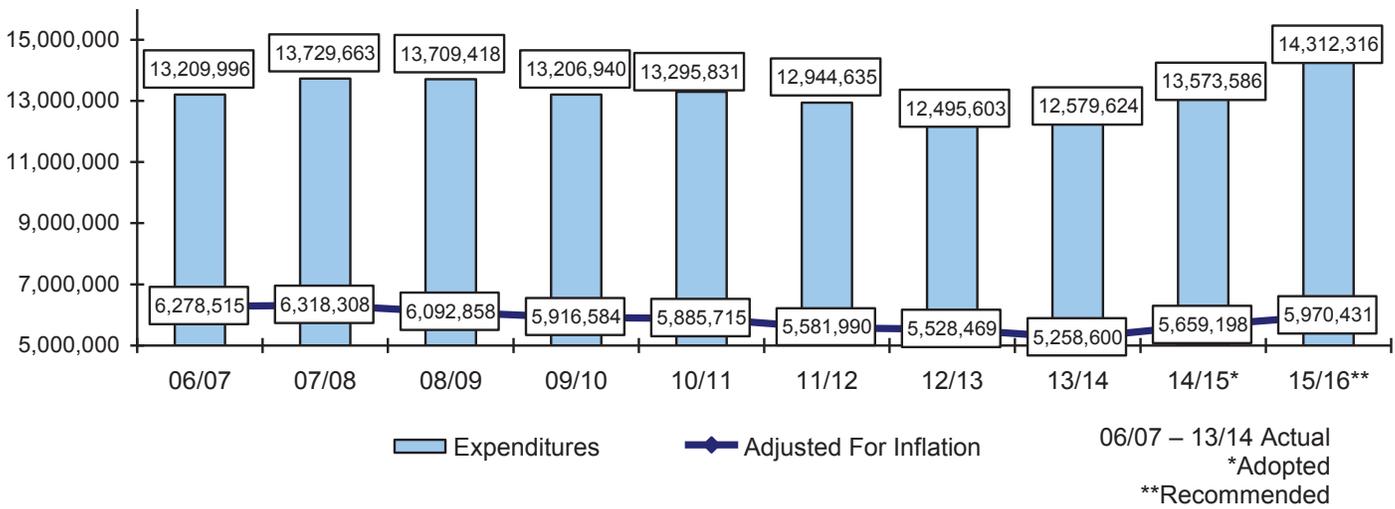
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



Support to County Departments

SERVICE PROGRAMS

Information Technology has a total expenditure level of \$14,312,316 and a total staffing level of 76.25 FTE to provide the following services:

Departmental Services

Provide clear points of contact for customers to acquire Information Technology Department (ITD) services; deliver technical support for customers; house servers and data in the controlled computer room including backup/recovery and Disaster Recovery Planning services; provide business analysis, project management, and technology planning and consulting; guide departments in the application of best practices, procedures and documentation standards; assist with assessing project risks by reviewing project scope, business requirements, and resource capacity; provide printing and desktop support services; and manage the support of Countywide systems and applications.

Total Expenditures: \$5,751,054 Total Staffing (FTE): 32.53

Enterprise Services

Provide a physically secure and environmentally controlled computing facility; manage data center operations including dispatching, scheduling, and running jobs; provide Microsoft application environment; support Windows applications running on Intel platforms; provide administration and software services for the County's Enterprise Financial Services (EFS); manage enterprise storage services; provide Disaster Recovery Planning services; support enterprise Geographic Information Systems (GIS); deliver system security, technical support and systems administration services.

Total Expenditures: \$4,676,157 Total Staffing (FTE): 26.45

Networked Services

Provide email, scheduling, calendar, associated systems administration and technical support, internet server management, internet access, mobile device management, County intranet access, remote system access, Microsoft Active Directory Services, anti-virus security, technical support, associated systems administration and Countywide infrastructure, network operating system client support, and data communications, including high speed data circuits.

Total Expenditures: \$1,442,626 Total Staffing (FTE): 8.16

Radio Communications

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

Total Expenditures: \$1,442,626 Total Staffing (FTE): 8.16

Voice Communications

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

Total Expenditures: \$999,853 Total Staffing (FTE): 0.95

DEPARTMENT COMMENTS

The Information Technology department's mission is to provide cost effective, accurate, reliable, and timely information technology solutions to our internal customers in support of the efficient delivery of services to the community. The County's Information Technology Executive Steering Committee (IT-ESC) provides information technology governance County-wide and drives a majority of the projects supported by IT. The County-wide Information Technology Strategic Plan (ITSP) addresses four primary goals and major benefits as follows:

1. Build citizen-centric solutions to meet the operational needs and service expectations of our customers
2. Enable a technology-capable workforce
3. Commit to proactive, accountable, well-governed IT services
4. Invest to maintain a current, sustainable, and secure infrastructure.

In FY 2014-15, the Information Technology Department was created from the dissolution of the General Services Agency. In FY 2015-16 IT will work on ten major information technology projects approved by the IT-ESC. Most challenges will come from migrating old enterprise technologies to new systems. A concentrated effort will be placed on decommissioning the 40 year old mainframe system by replacing all remaining mainframe applications within FY 2015-16. The Property Tax system is currently being modernized to run on a server platform. In order to accommodate departmental blackout periods and heavy workload during tax roll and property tax collection season, the Property Tax System Modernization Executive Steering Committee approved a new implementation date of October 2015. This project was originally scheduled to end December 2014. Property Tax is a custom-built application, and as such, software engineers will continue to be necessary to support this system beyond the decommissioning of the mainframe. Additionally, another team of software engineers is in the process of building a new, re-platformed Warrants system. Overall, the schedule associated with the removal of the last two mainframe applications carries significant risks. Staff retirements are anticipated in 2015 and 2016 that could impact software support, computer operations, and system administration, so any schedule slippage creates risk in the ability to support the Property Tax system and decommission the mainframe within this timeframe.

Following are some of the department's notable accomplishments for FY 2014-15 and some specific objectives for FY 2015-16:

FY 2014-15 Accomplishments

- Completed, on-time and within budget, the following IT-ESC directed projects: Budget Prep Replacement Request for Proposal (RFP) , GIS Parcel Data Conversion RFP, Tidemark Replacement RFP, Human Resources Recruitment and Performance Management System.
- Published a four-year Countywide IT strategic plan delineating the roadmap to bring additional government services and information online, create a technology-savvy workforce, effectively govern IT investment and priorities, and invest in a current, secure infrastructure.
- Upgraded the County public safety communications microwave system to maintain reliable and highly-available service.
- Planned and began replacing the County's network core system.
- Doubled the County's data storage capacity to 165 terabytes (equivalent to 60 million copies of War and Peace, a 1000 page novel).
- Continued migration of the County Property Tax system as it transitions off the mainframe to a modern technology platform.
- Completed the design of a new Warrants management system.
- Upgraded the Criminal Justice Information System (CJIS), to handle new Court and District Attorney Case Management Systems and enabled access by external law enforcement agencies.
- Simplified architecture and began redesign of electronic forms in preparation for the implementation of a new, cloud based email system.
- Coordinated the installation of high-speed optical fiber to the new Atascadero Library and Health Clinic, North County Service Center, Social Services Empleo office, and Cal Fire Station 22.
- Continued to work on GIS strategic initiatives including developing business requirements, issuing an RFP, and awarding a vendor contract to update parcel data; acquired new aerial imagery; and enhanced public relations with the launch of a mapping application that vastly improved a citizen's ability to connect with their Supervisor.

FY 2015-16 Objectives

- Complete the migration of the County Property Tax system off the mainframe to a modern technology platform.
- Implement a new Sheriff Warrants management system that will improve efficiencies within the Sheriff's Office and further reduce the reliance on the County's mainframe.
- Decommission the 40-year old mainframe technology.
- Provide project manager support for the replacement of the existing Budget Preparation system with a flexible, modern, browser-based product.
- Provide project manager support for the implementation of a new permitting system for the Planning and Building Department.
- Complete GIS parcel data project; develop and maintain critical business layers for Parks, Airports, General Services, and Sheriff's Dispatch.
- Manage RFP process and consulting services to build a Countywide Security Program Strategic Plan.
- Migrate the County email and calendaring system to a new platform strategically aligned with the County's goals of providing enhanced mobility, collaboration, and system resiliency.
- Complete the replacement of the County's core network system to guarantee reliable, adaptable, and cost effective communication services to all County facilities.
- Complete Board Chambers equipment modernization.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to increase by \$78,165 or less than 1% compared to the FY 2014-15 adopted level. Revenues are recommended to increase \$261,996 or 15% and expenditures are recommended to increase by \$340,161 or 3%.

Information Technology (IT) continues to experience a significant and changing workload, as it leads the effort to migrate applications from the mainframe into more modern environments to enable the eventual decommissioning of the County's mainframe. The migration of applications off the mainframe and into a more modern, Windows/Intel environment is consistent with the Board's adoption of a 2002 Information Technology Strategic Plan. Currently, it is expected that mainframe decommissioning will occur in July 2016. To accomplish this, IT must ensure that all applications are migrated off the mainframe and fully operational on new platforms in FY 2015-16. To facilitate a smooth transition, in addition to providing support for new applications, the department will continue to provide support to the mainframe until its decommissioning. As discussed above, the decommissioning of the mainframe has been delayed in order to accommodate departmental blackout periods and heavy workload during tax roll and property tax collection season.

The significant increase in recommended revenue is due primarily to a \$175,452 or 34% increase in charges to departments for services. As the County continues to move resources off the mainframe, additional staff time is being dedicated to the Windows/Intel environment. Charges for department consulting services are increasing by \$97,572 or 23% due to an increase in project manager time for the Pension Trust Retirement Administration and Distribution (RAD) project as well as project management time budgeted in FC 266- Countywide Automation.

Salary and benefits are recommended to increase \$415,163 or 4% due to negotiated changes to employee compensation, mid-year Position Allocation List (PAL) changes due to the dissolution of the General Services Agency, and the recommended addition of a Software Engineer position added to the department's PAL to support Public Health. In addition, the recommended salary and benefits total includes the recommended budget augmentation request of the addition of a GIS Analyst position.

Services and supplies are recommended to increase \$323,567 or 8% due to increases in various accounts. Computer software expenditures are increasing by \$12,500 or 55% due to additional storage server licenses. Maintenance contract expenditures are increasing by \$35,700 or 5% due primarily to an increased cost to maintain additional fiber connections. Maintenance equipment expenditures are increasing by \$69,500 due to an increase in network consumables and one-time expenses for mainframe decommissioning. Maintenance software expenditures are increasing by \$68,815 or 6% due largely to increases in costs for enterprise services. Professional and special services are increasing by \$127,900 or 116% primarily due to the recommended budget augmentation request for a security program strategic plan totaling \$100,000 (outlined below). Significant value purchases are increasing by \$99,500 or 217% primarily due to a \$30,000 increase for data center printer replacements that are no longer supported by the manufacturer and a \$12,000 increase for network event management license expansion. Intrafund expense offsets are recommended to increase \$398,569 or 13% due largely to an increase in support services provided to the Health Agency and Social Services.

No fixed asset expense is recommended in FY 2015-16.

The FY 2015-16 recommended PAL for the IT includes a net increase of 3.0 FTE compared to the FY 2014-15 adopted PAL.

FY 2014-15 Mid-Year PAL Changes

In FY 2014-15 the Board approved the following changes to IT's PAL related to the dissolution of the General Services Agency and realignment of financial and administrative positions:

- +1.0 FTE Director of Information Technology (BOS approved 10/7/2014)
- +1.0 FTE Accounting Technician- Confidential (BOS 12/9/2014)
- +1.0 FTE Administrative Services Manager (BOS 12/9/2014)
- -1.0 FTE Deputy Director- Information Technology (BOS 12/9/2014)

FY 2015-16 Recommended PAL Changes

1. +1.0 FTE Software Engineer to support Public Health

As noted above, the FY 2015-16 budget recommends the addition of a GIS Analyst to the department's PAL. The GIS Analyst position is a new classification and pending Board approval. Due to timing, the cost for the position was built into the budget but could not be built into the department's PAL. The department will come back to the Board to amend the PAL once the classification is approved by the Board.

The recommended budget for FY 2015-16 enables IT to maintain current service levels, despite a significant workload. The recommended security program strategic plan budget augmentation request will result in a roadmap that will define a countywide approach to reducing the security risk and outline a methodology to meet legally mandated information security requirements. The addition of a GIS Analyst position will expand the County's GIS program and will perform technical duties in support of the County's overall IT goals.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

Unit Amount	Description	Results
Gross: \$100,000 General Fund support:\$100,000	Security Program Strategic Plan	The Security Program Strategic Plan will result in: <ol style="list-style-type: none"> 1. An analysis of and recommendation for changes to the current information security governance model. 2. Identification of necessary steps to ensure understanding of countywide information security, privacy, and confidentiality needs. 3. Identification of recommended information security solutions and a logical sequence for implementation and periodic review.
Gross: \$67,891 General Fund support: \$67,891	Addition of 1.0 FTE GIS Analyst to support the County's Geographic Information System program	The position will allow the County's GIS program to: <ol style="list-style-type: none"> 1. Develop a plan for ongoing maintenance of road centerline data for use by the Sheriff's dispatching system, which will reduce emergency response time by increasing location accuracy and aligning data used by multiple public safety agencies. 2. Develop and maintain critical business data layers for General Services, Airports, and Parks. 3. Upload countywide and department specific data into the enterprise for use by mapping applications used by County staff and the public. 4. Create specialized mapping projects and analysis for departments who do not currently have GIS support staff.

Note: The Budget augmentation request for an addition of a Software Engineer position added to IT's PAL to support Public Health is included in FC 160 – Public Health narrative.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide timely, reliable and cost-effective services that meet or exceed customer expectations.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of time the County's radio communication system is available.						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
100%	100%	100%	100%	99.9999%	99.9999%	99.9999%
What: Maintain the availability of the Countywide licensed microwave radio communication system to an outage level of no more than 32 seconds per year (the public safety interconnect industry standard is 99.9999% availability).						
Why: The microwave radio communication system provides radio coverage of more than 3,300 square miles in San Luis Obispo County for countywide public, safety and emergency service agencies. Radio communications within the County support the Sheriff/Coroner, County Fire, medical/ambulance response, and many other emergency and general government activities. The radio system also provides reliable communications with other local jurisdictions such as cities within the county and our neighboring counties. Lastly, the system allows for coordinated communications response with State and Federal agencies. Full availability and reliability contributes to a safe community.						
How are we doing? The Information Technology Department (ITD) expects to meet its performance measure and the industry standard for public safety communication system availability during FY 2014-15. Critical system infrastructure such as HVAC units and emergency generators are being replaced through the County Capital Improvement Plan process thereby ensuring efficient, reliable, and highly-available communications for County radio end-users. In addition, ITD completed a project to replace the entire microwave system, including existing sites operating with "unlicensed" non-redundant microwave radios. These improvements will allow ITD to meet the target in FY 2015-16.						
Department Goal: Provide timely, reliable and cost-effective services and infrastructure that meet or exceed customer expectations						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
2. Performance Measure: Percentage of time the County's voice mail communication system is available.						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
What: The availability of the voice mail (voice mail boxes) system for internal or external access.						
Why: Voice mail is an integral management tool for County voice communications.						
How are we doing? The Information Technology Department (ITD) is expecting to meet its FY 2014-15 adopted performance measure for voice mail communication system availability. Leveraging additional functionality and reliability of the upgraded voice mail system installed in FY 2011-12 has resulted in expanded service features and better service management tools. ITD is projecting to meet its adopted target in FY 2015-16.						
Department Goal: Provide timely, reliable and cost-effective services and infrastructure that meet or exceed customer expectations						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
3. Performance Measure: Percentage of ITD managed project milestones completed within expected baseline budget and time estimates.						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
86%	81%	97.73%	95%	95%	95%	95%
What: This measure tracks the combined average percentages of IT managed project milestones completed and budget amounts met according to Project Sponsor/Customer expectations and approved change requests.						

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

How are we doing? The Information Technology Department (ITD) is expecting to meet its adopted performance goal related to project milestones during FY 2014-15. Increased steering committee support and wider utilization of the Project Management Office improved the County's ability to deliver technology projects within budget while meeting business and schedule requirements. The application of a consistent project management framework provided a repetitive, predictable, and measurable discipline which aligned business needs with technology and also ensured that business requirements were properly documented and met in the majority of information technology implementations. ITD expects to meet its targeted performance goal related to project milestones, budget estimates, and time estimates during FY 2015-16.

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
99%	99.2%	99%	99.5%	99%	99%	99%

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

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

How are we doing? The Information Technology Department (ITD) is expecting to meet its FY 2014-15 adopted performance measure for LAN and WAN availability. By addressing potential hardware failure through modernization of the network, continued build-out of optical fiber to County offices, and migration of remote sites to fiber based leased lines will ensure greater network reliability and performance in the future. The ITD expects to meet or exceed its targeted performance goal for LAN and WAN availability in FY 2015-16.

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

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

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	50% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff

What: Periodic training or review of IT security policies and procedures will make staff aware of proper security measures and apply them to their everyday work habits. The training delivery mechanism will change from year-to-year to maintain interest and will include, among others, general training, an awareness handbook, Intranet-based information, and short web-videos viewable from the desktop.

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

How are we doing? The Information Technology did not meet its adopted performance measure of providing optional security training to over 2600 existing and the 246 new County employees who attended New Employee Orientation in FY 2013-14. The results reflect procedural changes by the Human Resources department which led to some new employees not receiving training material. For staff hired in FY 2014-15, procedures have been adjusted to ensure all new hires receive appropriate security awareness material in a timely manner. Training for both newly hired staff and existing staff may come in the form of email, posters, web-based training, and videos that are designed to provide a greater understanding of cyber security for staff Countywide. GSA-Information Technology expects to meet its adopted performance goal of providing optional security training to all new and existing employees in FY 2015-16.

Department Goal: To deliver excellent service to every customer.

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

6. Performance Measure: Percentage of responses to Customer Satisfaction Survey rating the Information Technology Department's overall effectiveness as "satisfactory" or better.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
97.9%	89%*	95.6%	95%	97%	97%	97%

What: The percentage of those responding to an annual survey that rate the Information Technology Department (ITD) in terms of both efficiency and quality (timeliness, accuracy, courtesy and satisfaction) as "Satisfactory" or better.

Why: The ITD is dedicated to providing cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community.

How are we doing? The ITD is expecting to meet its FY 2014-15 adopted performance measure for customer satisfaction. By revamping the Service Desk model, modernizing applications, making a major infrastructure investment to improve the network, radio communications, and storage networks, expanding self-service capabilities, and by improving communications with customers, departmental technical staff, and the County executive team, the ITD will continue to focus on its mission to "Deliver Excellence to Every Customer" and make the necessary changes to meet its targeted performance goal in FY 2015-16.

* The FY 2011-12 survey was revised to include only 2 of 5 choices as "satisfactory" or better and a selection for "neither satisfied nor dissatisfied" was included. The revised survey was likely the contributing factor to the decline in survey results. *

Department Goal: Provide cost-effective, accurate, and reliable computing environment and assets for general County, departmental specific, and outside agency use.

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

7. Performance Measure: Percentage of technical issues reported to and resolved by the Information Technology Department Service Desk Call Center. Calls that cannot be resolved by the Service Desk Call Center are dispatched and resolved by other ITD or County department teams.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
74%	73%	67%	59%	70%	60%	65%

What: A measure of the value add that the Information Technology Department Service Desk Call Center contributes to IT and the County's overall productivity.

Why: The goal is to resolve most technical issues within the Information Technology Service Desk Call Center, allowing other IT and County teams to focus on other activities. This translates into increased department efficiency and greater delivery of technology value to customers.

How are we doing? The Information Technology Department Service Desk went through a major transformation in FY 2014-15. The new service model includes a combination of customer service representatives as a first line of defense responding to less technically complex questions, a more agile dispatch workforce to address issues in the field, modernized computer and radio communications networks, and a focus on self-service and automation. Such transformation should cause the number of simple to resolve calls to diminish and the percentage of calls that the Service Desk cannot resolve at first contact to increase. In addition, the ITD Service Desk continued to support users from the Sheriff's Department and the Health Agency. Under the agreed support arrangement, departmental specific application support questions were immediately routed to departmental support personnel without any attempt by the Service Desk to resolve them. In FY 2015-16, the performance measure is revised to better reflect the new service delivery model and also the evolving nature of the customer base being supported. The Information Technology Department expects to meet the revised, and more realistic, targeted performance goal in FY 2015-16.

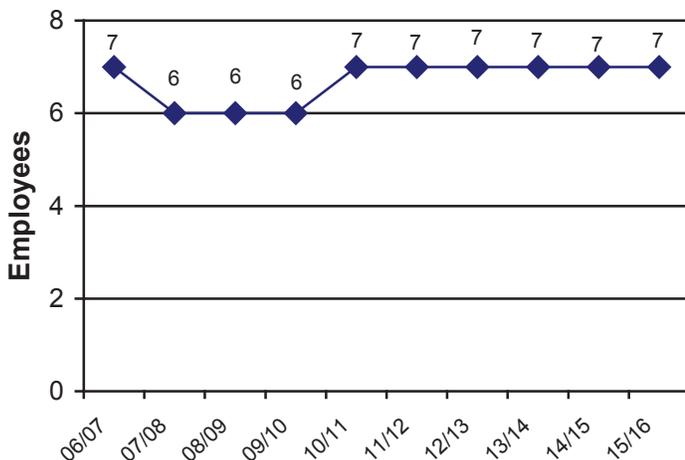
MISSION STATEMENT

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

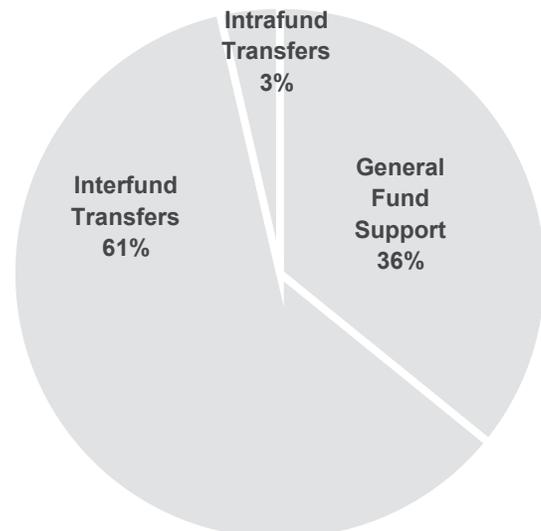
Financial Summary	2014-15 Budget	2014-15 Projected	2015-16 Requested	2015-16 Recommended	Change From 2014-15
Charges for Current Services	\$ 0	\$ 5,282	\$ 0	\$ 0	\$ 0
Interfund	1,010,640	1,010,640	1,039,764	1,039,764	29,124
**Total Revenue	\$ 1,010,640	\$ 1,015,922	\$ 1,039,764	\$ 1,039,764	\$ 29,124
Salary and Benefits	806,432	806,432	874,347	871,117	64,685
Services and Supplies	821,257	818,106	855,772	845,672	24,415
**Gross Expenditures	\$ 1,627,689	\$ 1,624,538	\$ 1,730,119	\$ 1,716,789	\$ 89,100
Less Intrafund Transfers	74,223	74,223	61,238	61,238	(12,985)
**Net Expenditures	\$ 1,553,466	\$ 1,550,315	\$ 1,668,881	\$ 1,655,551	\$ 102,085
General Fund Support (G.F.S.)	<u>\$ 542,826</u>	<u>\$ 534,393</u>	<u>\$ 629,117</u>	<u>\$ 615,787</u>	<u>\$ 72,961</u>

Support to County Departments

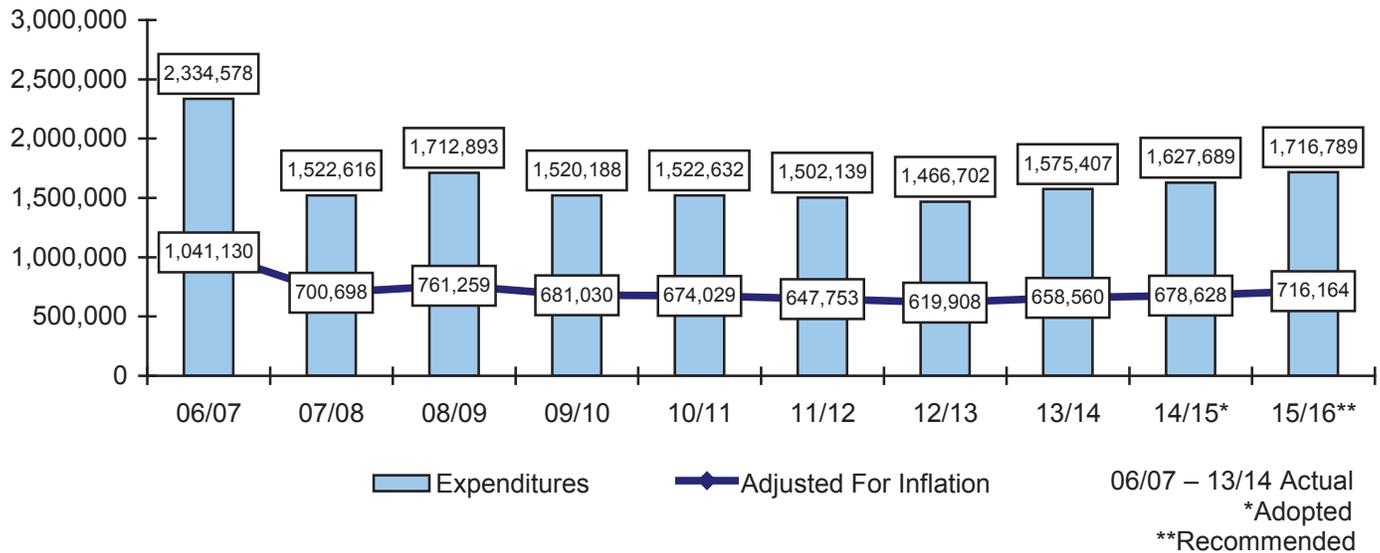
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Risk Management has a total expenditure level of \$1,716,789 and a total staffing level of 7.00 FTE to provide the following services:

Employee Benefits

Provide high quality employee benefit administration services (e.g., health, life insurance, flexible spending accounts for health and dependent care, wellness, etc.) to active employees and retirees.

Total Expenditures: \$355,126 Total Staffing (FTE): 1.20

Safety

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

Total Expenditures: \$235,457 Total Staffing (FTE): 1.75

Liability and Insurance

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

Total Expenditures: \$843,836 Total Staffing (FTE): 1.45

Workers' Compensation

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

Total Expenditures: \$282,370 Total Staffing (FTE): 2.60

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

Risk Management services are provided by the Human Resources department. Fund Center (FC) 105 – Risk Management is one of several budgets managed by Human Resources and includes the staffing costs for Safety, Liability, Workers’ Compensation, Benefits, and the Loss Prevention Initiative. This budget also includes the revenues and expenditures associated with insurance payments for property, crime, watercraft, airport and cyber liabilities, as well as the employee wellness program. Information on the Human Resources Department’s goals and accomplishments associated with Risk Management can be found in the Department Comments for FC 112 – Human Resources.

The level of General Fund support for this budget is recommended to increase \$72,961 or 13% compared to FY 2014-15 adopted levels. Revenues are recommended to increase \$29,124 or 2% and total expenditures are recommended to increase \$102,085 or 6%.

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

Salary and benefits are increasing \$64,685 or 8% due to compensation increases approved by the Board in FY 2014-15 as well as the conversion of two positions on the Position Allocation List: one Administrative Assistant (AA) III to an AA III – Confidential, and one Human Resources (HR) Analyst Aide to a HR Analyst Aide – Confidential. The conversion of these two positions increased the salary and benefit accounts by \$12,942.

Services and supplies are increasing \$24,415 or 2% primarily due to an increase in the California Public Employees Retirement System (CalPERS) administrative fee of \$26,400 or 40%. This fee is set each year by the CalPERS Board of Administration pursuant to the Public Employee’s Medical and Hospital Care Act. The amount charged represents a percentage of the premiums on active and retired health insurance premiums.

No service level impacts to other departments or to the community are expected.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

Unit Amount	Description	Results
Gross: \$12,942 General Fund support: \$12,942	Convert 1.0 FTE Administrative Assistant (AA) Series position to AA - Confidential, and 1.0 FTE Human Resources (HR) Analyst Aide HR Analyst Aide -Confidential	This will provide the Human Resources Director more flexibility to reassign staff to different programs and projects.

GOALS AND PERFORMANCE MEASURES

Department Goal: To effectively manage the employee benefit programs (health, life, tax savings, etc.) for County employees and retirees.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of County employees who contacted the benefits program and rated the services provided by the Benefits Manager as above satisfactory or better.						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
New	New	New	82%	85%	87%	85%
What: The Human Resources department conducts monthly analysis of survey responses of County employees. The Human Resources department sends a survey to employees who have contacted the Benefits Manager by email or phone. The survey evaluates the employees’ level of satisfaction with the service provided. The survey addresses the following critical service areas: timeliness, accuracy, responsiveness, and reliability of information.						

Why: The Benefits Manager is responsible for educating and providing guidance to County employees on all aspects of benefits, and assisting employees in making informed decisions. Regularly surveying our customers allows us to gauge the quality of our services and make program improvements as needed.

How are we doing? The success threshold for this measure is aggressive at above satisfactory or better. We received a total of 145 responses, 126 of which rated the services as above satisfactory or better.

No comparison data is available.

Department Goal: To promote a safe work environment for County employees.

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

2. Performance Measure: Rate of Occupational Health and Safety Administration (OSHA) recordable work-related illnesses/injuries per 100 employees as compared to other local government agencies in California.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
4.5	4.5	3.9	3.8	3.6	4.7	4.0

What: This measure tracks the number of employee illnesses/injuries per 100 employees in comparison to other local government agencies in California. By collecting injury and illness data, we can compare ourselves to statewide average data prepared by the Department of Industrial Relations. The OSHA Recordable injury rate is a regulatorily-defined injury statistic that is a common state and national industry benchmark. While injury statistics are maintained for the purposes of managing both safety and workers comp programs, the OSHA recordable rate is most appropriate when seeking to measure actual injuries of at least a minimal severity. Workers' Comp claim frequency statistics are not as rigidly defined as OSHA "Recordables," nor are they as descriptive given that the base unit – claims- is not further distinguished between first aid claims, minor injury claims and more significant claims.

Why: This measure helps to track the effectiveness of our Safety Program, which has an impact on the County's budget. An effective safety program limits employee injury and illness, which lowers workers' compensation costs for the County.

How are we doing? The OSHA Recordable Injury Rate is calculated using OSHA's formula, which normalizes rates to represent 100 employees working 40 hours per week for 50 weeks per year. The County had 52 recordable injuries to date, for 2,932 permanent, temporary, or seasonal employees who worked an average of 1,801 hours each in FY 2014-15. The County's injury rate is increasing due to Labor Code 4850 (Peace Officers injured on duty) and related presumptive injuries from law enforcement departments. The County's illness/injury rate is comparable to the private sector and well below the average for local government agencies of 6.1 per 100 employees in 2012, as reported by the National Bureau of Labor Statistics.

3. Performance Measure: Annual number of serious employee work-related injuries (i.e., death, loss of limb, overnight hospitalization, etc.) as defined by CAL/OSHA.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
1	0	1	1	0	0	0

What: OSHA requires reporting of all serious work-related injuries which it defines as death, loss of limb, 24 hour hospitalization for other than observation, etc. This measure reports the number of employees who experience a serious work-related injury.

Why: This measure helps track the effectiveness of our Safety Program, which has an impact on the County's budget. An effective safety program limits employee injury and illness, which lowers workers' compensation costs for the County.

How are we doing? In FY 2014-15, there are no serious employee work-related injuries to date. Direct comparable-entity comparison data are not available for this measure.

4. Performance Measure: Number of days away from work due to workplace injury.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
666	1,460	656	1,592	650	800	850

What: This measure tracks the total number of days that employees are absent during the year due to work-related injuries.

Why: This measure helps to track the effectiveness of our safety and workers' comp programs, which have an impact on the County's budget and the productivity of County employees. Effective safety and workers' comp programs limit employee injury and illness, which lowers workers' compensation costs for the County and reduces the amount of time that County employees are unable to be at work.

How are we doing? The County experienced a significant jump in the number of lost days in FY 2013-14. A prime driver for the increase appears to be use of Labor Code 4850 benefits. Realization of 4850 benefits (full pay for peace officers with lost day injuries) reached a high point in FY 2013-14. The County of San Luis Obispo became subject to Labor Code 4850 upon a legislative change in 2010, and although increases in cost and lost days were anticipated, they have exceeded original estimates. Although there are only 2 new LC 4850 cases so far this year, the three remaining on the books from last year have amassed hundreds of lost days. Should current trends continue through FY 2014-15, an increase of lost days above our projected amount will occur. The County will need to consider the continued and increasing impact of 4850 benefits on its Safety and Work comp performance measure targets. Direct comparable-entity comparison data are not available for this measure.

Department Goal: To effectively administer the County's Liability Insurance Program.

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

5. Performance Measure: Number of liability claims filed per \$1 million of payroll.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
County: .57 EIA average: .83	County: .65 EIA average: .77	County: .57 EIA average: .78	County: .63 EIA average: .75	Better than the EIA average	County: .71 EIA average: .74	Better than the EIA average

What: This measure represents a comparison of the number of liability claims filed against local California governments. The California State Association of Counties (CSAC) Excess Insurance Authority (EIA) insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.

Why: Tracking the number of liability claims filed per \$1 million of payroll indicates how San Luis Obispo County compares to other counties as determined by the County's annual actuary conducted by Bickmore Risk Services. Keeping liability claims to a minimum has a positive impact on the County's budget because a low number of liability claims contributes to lower liability insurance premiums.

How are we doing? Based on our November 2014 actuarial report's weighted and adjusted values, claim frequency of 111 claims for \$156,134,000 of payroll is an increase compared to FY 2013-14 levels. The County's liability program is performing well and we remain well below the CSAC-EIA average. The County's number of liability claims per \$1 million of payroll has consistently been below the CSAC-EIA average. The County saw an increase in the number of claims due to the Los Osos Wastewater Treatment plant construction project.

6. Performance Measure: Average dollar loss/liability claim.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
County: \$12,280 EIA average: \$8,990	County: \$10,350 EIA average: \$8,760	County: \$8,720 EIA average: \$8,967	County: \$7,520 EIA average: \$10,070	Better than the EIA average	County: \$7,460 EIA average: \$8,838	Better than the EIA average

What: This measure provides an indication of how much money is being spent on average for liability claims. CSAC-EIA insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.

Why: Tracking the average dollar loss per liability claim indicates how San Luis Obispo County compares to other counties as determined by the County's annual actuary conducted by Bickmore Risk Services. Minimizing liability claims costs reduces the amount of General Fund dollars needed to pay claims, and reduces the cost of excess insurance.

How are we doing? Based on the November 2014 actuarial study, the County's weighted and adjusted loss value was calculated at \$828,060 for state-wide benchmarking purposes. There were 111 open claims during the study period. The average loss per claim decreased slightly from FY 2013-14 levels. Risk Management expects to meet the FY 2014-15 target due to the County achieving favorable outcomes in several recent litigated matters, and due to the fact that program fundamentals are sound.

7. Performance Measure: Dollars of loss per \$100 of payroll for liability claims.

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
County: .70 EIA average: .67	County: .67 EIA average: .62	County: .50 EIA average: .64	County: .48 EIA average: .65	Better than the EIA average	County: .51 EIA average: .58	Better than the EIA average

What: This measure provides an indication of the total liability dollars spent per every \$100 of the County's payroll. CSAC-EIA insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.

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

How are we doing? Based on the November 2014 actuarial report, the County's weighted and adjusted loss value was calculated at \$828,060 for state-wide benchmarking purposes. Based on payroll of \$156,134,000, the rate per \$100 of payroll was calculated at .51. Consequently, the rate per \$100 of payroll increased from FY 2013-14 by about 6% keeping the County well below the EIA average.

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

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

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
County: \$1.27 EIA average: \$2.06	County: \$1.13 EIA average: \$2.08	County: \$0.91 EIA average \$2.01	County: \$1.19 EIA average \$2.10	Better than the EIA average	County: \$1.01 EIA average \$2.09	Better than the EIA average

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

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

How are we doing? The County saw a 15% decrease in its loss rate per \$100 of payroll in FY 2014-15, compared to the prior fiscal year. The loss rate is based upon the November 2014 actuarial study which calculated a weighted and adjusted loss of \$1,576,953 for state-wide benchmarking purposes. Based on payroll of \$156,134,000 the rate per \$100 decreased from \$1.19 to \$1.01. At less than half the EIA average, we continue to remain well below our target. Low claim numbers as affected by safety and loss prevention efforts, and excellent claims and program management, contribute to the better than average program statistics. Despite the increase in the number of days away from work due to workplace injury (see measure #4) and the increase in average dollars lost per workers' compensation claim (see measure #10), the dollar loss per \$100 of payroll for workers' compensation claims remains comparatively low.

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

10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
County: 6.9 Comp Co. avg: 8.4	County: 7.0 Comp Co. avg: 9.0	County: 6.4 Comp Co. avg: 8.6	County: 6.6 Comp Co. avg: 8.6	Better than the Comp Co. average	County: 5.9 Comp Co. avg: 8.1	Better than the Comp Co. average

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

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

How are we doing? The November 2014 TCS report shows the claim frequency for the County decreased by 11%. At 161 claims for 2,715 employees, the report shows that the County ranks among the lowest claim rates in the state. Safety and loss prevention efforts contribute to a low level of workers' compensation claims.

10. Performance Measure: Average dollars loss per Workers' Compensation claim.						
10-11 Actual Results	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Adopted	14-15 Projected	15-16 Target
County: \$6,170 EIA average: \$10,940	County: \$5,910 EIA average: \$11,770	County: \$5,260 EIA average: \$11,902	County: \$7,890 EIA average: \$12,389	Better than the EIA average	County: \$8,630 EIA average: \$12,637	Better than the EIA average
<p>What: This measures the average dollars of loss per workers' compensation claim for a comparison to the average dollars of loss experienced in other Counties as reported by the CSAC-EIA average. The average loss projected by the CSAC-EIA actuary is based on historical loss data and represents ultimate final loss costs for claims from each fiscal year. CSAC-EIA insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.</p> <p>Why: Tracking the average dollars lost per workers' compensation claim provides a measurement of the effectiveness of the County's workers' compensation program as compared to other counties. An effective workers compensation program limits the number and cost of workers' compensation claims.</p> <p>How are we doing? While San Luis Obispo County's claim costs had been decreasing in recent years the growing cost of the 4850 (Peace Officers injured on duty) benefits have changed this trend. San Luis Obispo County's claim costs are presently 68% of the CSAC-EIA average, but the rise in the 4850 legislatively enhanced benefits is eroding this achievement. The workers' compensation program, including in-house staff, a Third Party Claims Administrator, and a third party management consultant, is recognized state-wide as a model program. Proactive claims management contributes to low dollar loss per claim. The County adopted and effectively implemented a Return to Work program sooner than many other CSAC-EIA members. The maturity of our program contributes to our lower cost per claim than the EIA average.</p>						

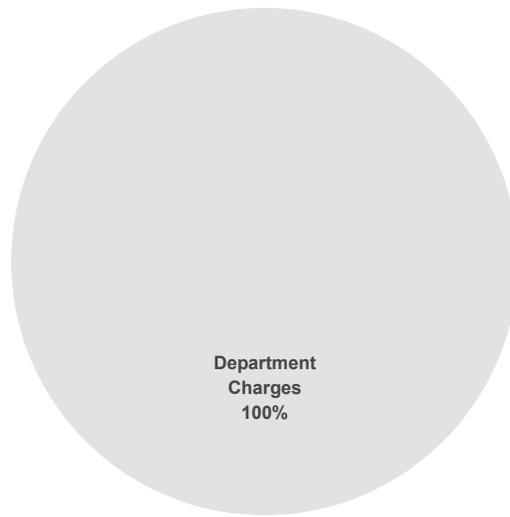
Support to County Departments

PURPOSE STATEMENT

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

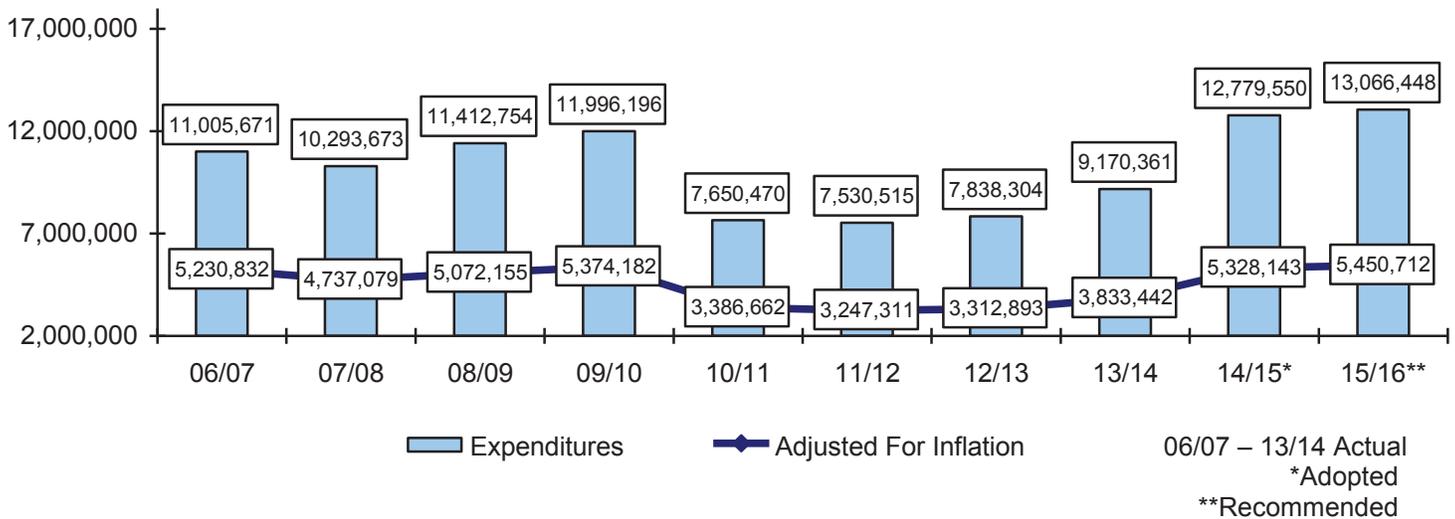
OPERATING DETAIL (1)	2013-14 ACTUAL (2)	2014-15 ESTIMATED (3)	2015-16 PROPOSED ESTIMATES (4)	2015-16 RECOMMENDED ESTIMATES (5)
OPERATING REVENUES				
Charges for current services	7,413,194	8,836,844	11,102,864	11,102,864
TOTAL OPERATING REVENUES	7,413,194	8,836,844	11,102,864	11,102,864
OPERATING EXPENSES				
Services and Supplies	4,386,463	2,697,768	2,405,057	2,405,067
Overhead	45,402	292,049	458,252	458,242
Insurance Premiums	0	0	0	0
Insurance Benefit Pmts	3,584,464	6,112,152	9,503,139	9,503,139
Claims	0	0	0	0
Outside Legal	638,031	665,000	700,000	700,000
TOTAL OPERATING EXPENSES	8,654,360	9,766,969	13,066,448	13,066,448
OPERATING INCOME (LOSS)	(1,241,166)	(930,125)	(1,963,584)	(1,963,584)
NON-OPERATING REVENUES (EXPENSES)				
Interest	46,249	62,984	63,400	63,400
Other Income	0	0	0	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	46,249	62,984	63,400	63,400
INCOME REF. CAPITAL CONTRBS. & TRANSFERS	(1,194,917)	(867,141)	(1,900,184)	(1,900,184)
Transfers in (out)	(370,363)	0	0	0
CHANGE IN NET ASSETS	(1,565,280)	(867,141)	(1,900,184)	(1,900,184)
Net assets - beginning	4,897,102	3,331,821	2,464,681	2,464,681
Net assets - ending	<u>3,331,822</u>	<u>2,464,681</u>	<u>564,487</u>	<u>564,487</u>

Source of Funds



Support to County Departments

10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Self Insurance has a total expenditure level of \$13,066,448 and no staffing to provide the following services:

Workers' Compensation

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

Total Expenditures: \$7,071,391 Total Staffing (FTE): 0.00

Liability Self-Insurance

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

Total Expenditures: \$3,488,346 Total Staffing (FTE): 0.00

Unemployment Insurance

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

Total Expenditures: \$333,679 Total Staffing (FTE): 0.00

Medical Malpractice

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

Total Expenditures: \$360,833 Total Staffing (FTE): 0.00

Dental Plan

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

Total Expenditures: \$1,812,199 Total Staffing (FTE): 0.00

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

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

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

Industry norms, including guidelines set by the County's excess insurance carrier, the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), suggest that fund reserve levels for these programs should be maintained between 70% (minimum) and 90% (conservative) confidence levels. The programs in the self-insurance budget have been well managed in recent years, and have been on a good financial foundation. Because of this, it has been reasonable and appropriate to minimize charges to departments during recent difficult budget years, while still maintaining adequate reserve levels and a confidence level of 70-85%. Setting and maintaining of reserve levels is done in conjunction with annual actuarial studies. As indicated in the FY 2014-15 adopted budget, charges to departments for their share of liability costs were recommended to increase as part of a two-year phased approach to return to normal levels. FY 2015-16 represents the second year of this phased increase. Therefore, the recommended FY 2015-16 budget includes charges to departments for workers' compensation and liability at normal rates, resulting in an overall increase in revenue to fund centers 408 and 409 of \$2.4 million.

Because the self insurance programs are Internal Service Funds, the State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, the Service Programs, and the 10 year Expenditure chart use the information and data from the same budget report (the Form A) as is used for other fund centers.

For consistency with the manner in which changes in other fund centers are explained, this narrative provides a comparison of the FY 2015-16 recommended budget with the FY 2014-15 adopted budget. Variances between these two fiscal years are described by fund center as follows:

Fund Center 408- Workers' Compensation

This is the largest of the five fund centers, with more than \$7 million in appropriation recommended. Revenues generated from charges to departments are recommended to increase \$1,375,000 or 28% compared to the FY 2014-15 adopted budget, in order to rebuild the reserve. These rates are set to generate \$6.2 million in FY 2015-16.

Expenditures are recommended to increase \$337,478 or 5% compared to FY 2014-15 adopted levels due largely to an expected \$176,000 or 15% increase to the County's workers' compensation insurance premium, based on an estimate provided by CSAC-EIA, as well as a \$122,890 (60%) increase to countywide overhead. The recommended budget assumes workers' compensation payments of \$3.5 million, which is the same level assumed for the FY 2014-15 budget. While the number of claims is decreasing, medical costs are increasing. Other expenditure accounts are increasing or decreasing by smaller amounts.

Fund Center 409- Liability

Revenues are recommended to increase \$995,000 million or 58% compared to FY 2014-15 adopted levels due to increased liability insurance billings to departments which have been set to generate \$2.7 million in FY 2015-16.

Expenditures are recommended to decrease \$78,654 or 2% compared to FY 2014-15 adopted levels primarily due to a \$200,000 reduction in the budgeted amount for outside legal counsel costs, which offsets smaller increases in other accounts. The liability insurance premium is expected to exceed \$1.4 million.

Fund Center 410- Unemployment Insurance

Revenue generated from payroll billings to departments is increasing \$12,700 or 10% compared to FY 2014-15 adopted levels and is set to produce \$133,200 in revenue. Expenditures are recommended to increase \$3,093 or 10% compared to FY 2014-15 adopted levels primarily due to an increase of \$3,010 or 11% in staffing costs. This fund pays for a portion of the staff costs in Fund Center 105- Risk Management, to reimburse that fund center for staff time spent on processing unemployment insurance claims.

Fund Center 411- Medical Malpractice

The recommended budget for FY 2015-16 is virtually flat in comparison to FY 2014-15 adopted levels. Revenues are recommended to increase \$196 or less than 1% and expenditures are recommended to increase \$1,073, also less than 1% due to increases in staff costs.

Fund Center 412- Self-Insured Dental

Revenues are recommended to increase \$111,214 or 6%, and expenditures are recommended to increase \$23,908 or less than 1%. The recommended budget assumes no increase in the cost of dental plan benefits, set at more than \$1.6 million.

BUDGET AUGMENTATION REQUESTS RECOMMENDED

None requested.