

Fiscal and Administrative

Administrative Office
Organizational Development

Assessor

Auditor-Controller

Board of Supervisors

Clerk-Recorder

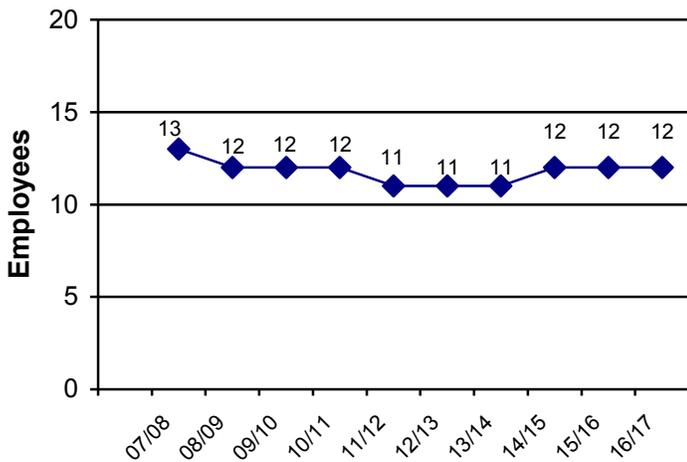
Treasurer-Tax Collector-Public Administrator

MISSION STATEMENT

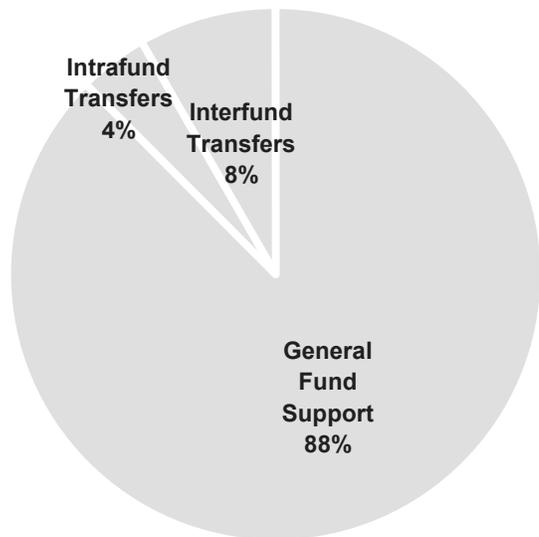
Advise, interpret, and implement the goals and policies of the Board of Supervisors through effective leadership and management of County services to achieve the County's vision of a safe, healthy, livable, prosperous, and well-governed community.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Intergovernmental Revenue	\$ 663	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Current Services	105	0	0	0	0
Interfund	45,080	90,480	146,825	146,825	146,825
**Total Revenue	\$ 45,848	\$ 90,480	\$ 146,825	\$ 146,825	\$ 146,825
Salary and Benefits	1,654,609	1,724,713	2,003,358	1,952,856	1,952,856
Services and Supplies	161,163	180,560	208,609	208,609	208,609
**Gross Expenditures	\$ 1,815,772	\$ 1,905,273	\$ 2,211,967	\$ 2,161,465	\$ 2,161,465
Less Intrafund Transfers	87,885	85,000	85,000	85,000	85,000
**Net Expenditures	\$ 1,727,887	\$ 1,820,273	\$ 2,126,967	\$ 2,076,465	\$ 2,076,465
General Fund Support (G.F.S.)	<u>\$ 1,682,039</u>	<u>\$ 1,729,793</u>	<u>\$ 1,980,142</u>	<u>\$ 1,929,640</u>	<u>\$ 1,929,640</u>

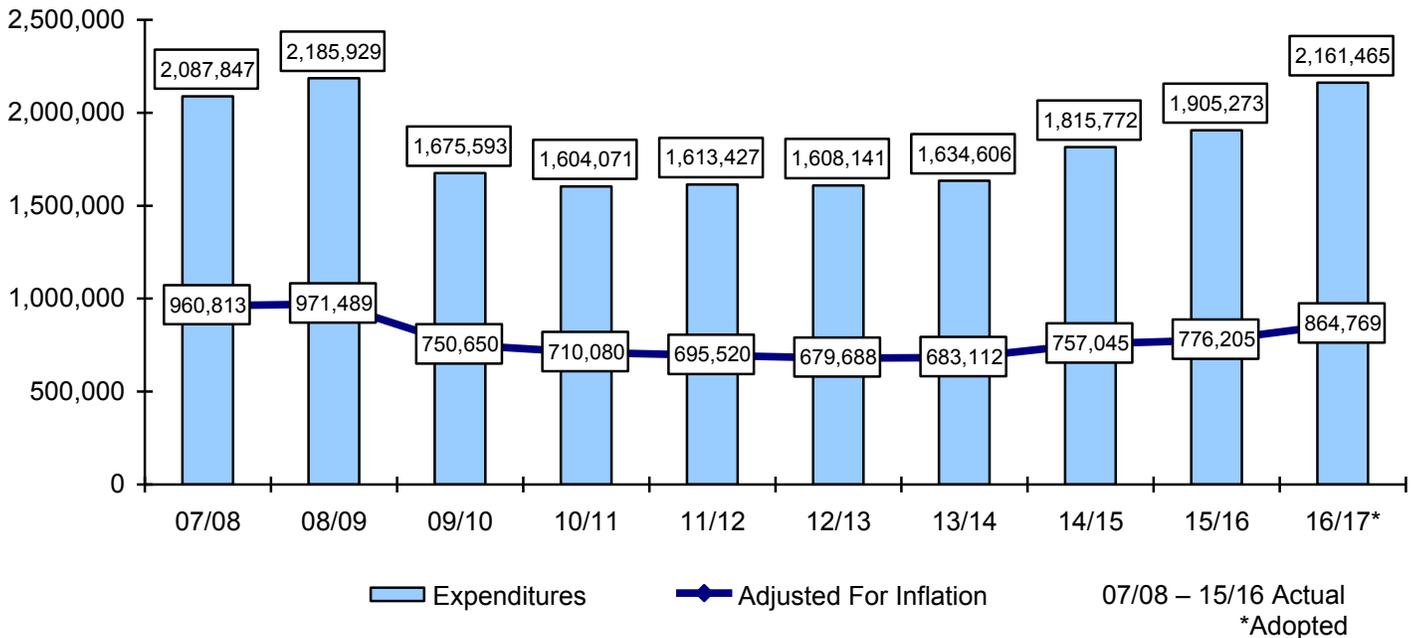
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Administrative Office has a total expenditure level of \$2,161,465 and a total staffing level of 12.00 FTE to provide the following services.

Citizen Outreach/Support

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

Total Expenditures: \$129,688 Total Staffing (FTE): 0.50

Organization Support

Board of Supervisors: Provide high quality staff support to maximize Board effectiveness. This includes activities such as implementation of Board policy, sound financial planning through annual preparation and regular review of the County budget, labor relations, and preparing the weekly Board agenda.

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

Total Expenditures: \$1,988,548 Total Staffing (FTE): 11.00

Organizational Effectiveness

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

Total Expenditures: \$43,229 Total Staffing (FTE): 0.50

DEPARTMENT COMMENTS

As an agent of the Board of Supervisors, the Administrative Office is responsible for implementing Board policies, coordinating the operations of County departments, and preparing the County’s budget. In turn, the Administrative Office is also responsible for making recommendations to the Board of Supervisors which promote the efficiency and effectiveness of County operations.

In addition to the day-to-day responsibilities and operations of the department, the Administrative Office continues to focus its resources on several major initiatives, including working to implement a long-term water management system to find solutions to water demand and supply imbalances, and monitoring and assessing the impacts of Medical Marijuana Regulation and Safety Act in order to ensure local control. Additionally, the Administrative Office will continue to guide implementation of the County’s 10-year Plan to End Homelessness through continued monitoring of the 50Now program to provide housing to the County’s most vulnerable homeless, and continues to focus on moving forward with systems and facility modernization projects.

Following are some of the department’s notable accomplishments for FY 2015-16 and specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

Program Coordination

- Directed the dissolution of the General Services department, creating the Department of Central Services, and transferring responsibility for building maintenance, facility planning, and architectural services to the Department of Public Works in order to enhance customer service and responsiveness.
- Contracted with PG&E under the Sustainable Solutions Turnkey program to create energy efficiency projects that will help the County realize savings in energy cost and usage, and reduce environmental impacts. Eight different energy projects measures began implementation in February 2016 and are expected to result in \$334,473 of annual energy and operational savings.
- Monitored and assessed the impacts of the Medical Marijuana Regulation and Safety Act (MMRSA) and provided the Board with the necessary considerations to be made regarding the County’s responsibility in order to ensure local control.

Water

- Led a County Drought Task Force to create contingency and emergency plans for the most vulnerable communities and provided 15 updates

FY 2016-17 Objectives

Program Coordination

- Continue coordination of a permanent ordinance relating to the cultivation of medical cannabis per the Medical Marijuana Regulation and Safety Act (MMRSA).

Water

- Continue to coordinate the County Drought Task Force; monitor drought conditions, continue water use reduction and County preparedness efforts. Continue to monitor the impacts and aid in the implementation of the requirements of the Sustainable Groundwater Management Act (SGMA) to address groundwater supply and demand imbalances.
- Continue to coordinate efforts related to use of desalinated water from Diablo Canyon Power Plant for South County.

Countywide Project Coordination

- Continue implementation of a new budget preparation system that will replace the current system that is over 20 years old. The new budget preparation system will allow for greater budgetary analysis and reporting and is expected to go live in 2016.
- Continue to support efforts of the Airports and Public Works to finance and complete

to the Board of Supervisors. The County saved an estimated 4,500 gallons per week, and reduced water usage for users in the Utility Manager system and County Operations Center by 36% compared to December 2013.

- Continued to monitor the impacts and aid in the implementation of the requirements of the Sustainable Groundwater Management Act (SGMA) to address groundwater supply and demand imbalances.
- Led a subcommittee of County and PG&E representatives that explored the possibility of delivering desalinated water from the Diablo Canyon Power Plant to residents in the Five Cities area that resulted in the Board of Supervisors approving a request for \$900,000 to fund the planning phase of the project.

Countywide Project Coordination

- Co-led, with Information Technology, the effort of acquiring and implementing a new budget preparation system that will replace the current system that is over 20 years old. The new budget preparation system will allow for greater budgetary analysis and reporting.
- Supported the efforts of various departments on planning for major capital projects including the Airport terminal and Animal Services facility.

Communications

- Published the 6th County Annual Report, continuing to implement new techniques and technologies increasing the ease of access and clarity.
- Developed and began implementing a countywide communication plan to help increase public awareness of County programs and services and increase citizen engagement with County government. Increased number of likes on County's Facebook page by 356%, doubled lifetime number of YouTube video views, and County Tweets earned an average of 17,841 impressions per month.

construction on a new terminal building.

- Continue to support efforts of the Health Agency and Public Works to finalize negotiations with cities relative to financing and constructing a new animal shelter.
- Coordinate creation of a permanent ordinance relating to the cultivation of medical cannabis in San Luis Obispo County.

Communications

- Publish a 7th consecutive County Annual Report that incorporates feedback on prior reports and continues to implement new techniques and technologies that increase ease of access and clarity.
- Develop and design a new County website to improve online access to, and increase public awareness of, County services and program information.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

The recommended budget includes \$1.9 million of General Fund support, an increase of \$107,834 or 5% from FY 2015-16 adopted levels. Revenue is decreasing by \$26,104 or 15% when compared to FY 2015-16 levels primarily due to budgeting for a Limited Term Administrative Analyst at lower level (Administrative Analyst II) than budgeted in FY 2015-16 (Administrative Analyst III). This position is used to support the BP Replacement Project and is funded from FC 266 - Countywide Automation.

Overall, expenditures are recommended to increase by \$81,730 or 4% from FY 2015-16 adopted levels. Salaries and benefits are increasing by \$70,210 or 3% compared to FY 2015-16 adopted amounts. The drivers of this increase include the hiring of the Limited Term Administrative Analyst at a lower level, various step and promotional increases and wage and benefit increases approved for FY 2015-16. As noted above, funding for the Limited Term Analyst position in the amount of \$115,672 will be offset by a transfer in from Countywide Automation. In addition, two Division Manager positions are recommended to be added. The department's overall PAL allocation will remain the same as two positions – a Secretary Confidential and Principal Administrative Analyst, are recommended to be deleted. The Division Manager – Administrative Office is a new classification and pending Board approval. Due to timing, the cost for the positions was built into the budget but could not be built into the department's PAL. The Board will be asked to approve the PAL changes as part of final budget actions on June 21, 2016.

There is an increase of \$11,520 or 5% in services and supplies from FY 2015-16 adopted levels primarily attributed to a \$10,861 or 21% increase in insurance charges.

Service Level Impacts

The introduction of Division Managers is expected to increase customer services and will lessen the number of direct reports for both the County Administrative Officer (CAO) and Assistant CAO, both of whom each currently have over 12 direct reports. The new structure will allow the CAO and Assistant CAO more time to focus on Board priorities, increased departmental oversight, increased focus on legislative activity, work more with the public, and increase involvement in critical issues facing the County. The move to an organizational structure that includes Division Managers will also more closely align the department's management structure with other departments of similar size within the County.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL changes for the department does not result in any additional staffing compared to the FY 2015-16 adopted PAL.

BOARD ADOPTED CHANGES

As part of formal budget adoption on June 21, 2016, the Board approved the classification of Division Manager-Administrative Office and set the salary for the job classification. In addition, the department's Position Allocation List (PAL) was amended by deleting 1.00 FTE Secretary – Confidential position and 1.00 FTE Principal Administrative Analyst position and adding 2.00 FTE Division Managers-Administrative Office positions.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

GOALS AND PERFORMANCE MEASURES

Department Goal: To ensure the long-term financial stability of the County.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input checked="" type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Ratio of General Fund backed annual debt service to the annual General Fund budget.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
3.4%	3.5%	3.2%	3.0%	3.0%	2.6%	2.6%
What: This measure shows the ratio of the General Fund backed annual debt service to the annual General Fund budget.						
Why: This measure provides staff, the Board and public with information about the financial health of the County. The current goal is to keep the ratio below 5%. This measure is an industry standard that allows for a comparison amongst governmental entities.						
How are we doing? A ratio under 5% is considered to be favorable by bond rating agencies. This ratio is projected to remain constant as none of the debt obligations were paid off in FY 2016-17, and no new debt is currently planned.						

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

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
20.5%	20%	24%	27%	20%	29%	20%

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

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

How are we doing? This measure reflects the total amount of contingencies and reserves that could be accessed by the General Fund (some contingencies and reserves are restricted in use and are not available for use in the General Fund). A ratio of 29% of reserves to ongoing general fund expenses is above the industry standard due to sound fiscal management and capital and infrastructure projects that had been deferred due to the economic downturn. This ratio is expected to decline towards the industry standard in future years as funding for deferred projects is committed.

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

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
100%	100%	100%	100%	100%	100%	100%

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

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

How are we doing? The January 2016 survey consisted of a series of seven questions, with responses ranging from 1 (Unsatisfactory) to 5 (Outstanding), with a score of 3 representing Satisfactory. The Administrative Office received an average score of 3.6. The Administrative Office continues to strive for constant improvement in providing Board members with superior quality agenda support. The next survey is scheduled for January 2017.

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

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

4. Performance Measure: Average percentage of responses to a survey indicating the Administrative Office staff provides satisfactory or better support services.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
100%	100%	100%	100%	100%	100%	100%

What: The County Administrative Office surveys departments annually to determine their level of satisfaction with our staff support relative to accuracy, responsiveness, responsibility, timeliness and trustworthiness.

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

How are we doing? Based upon the 465 responses to the survey conducted in April 2016, the Administrative Office is providing satisfactory or better support services to departments as demonstrated by an average score of 4.22 on a 5 point scale. This is a slight decrease from FY 2015-16 that had an average score of 4.29. The next survey is scheduled for April 2017.

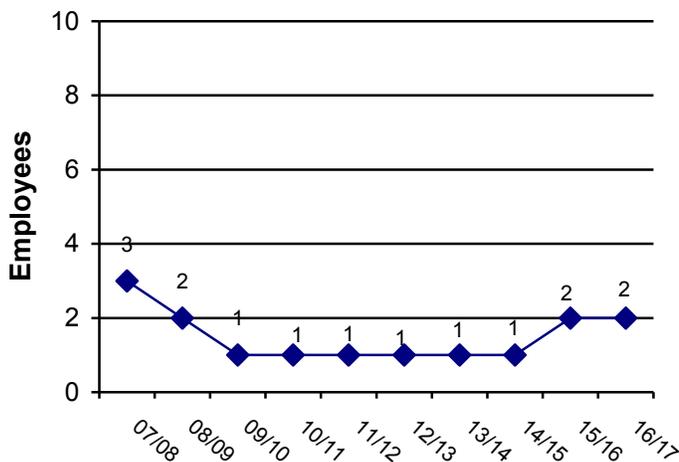
Department Goal: To create an environment whereby all employees feel valued and are proud to work for the County.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
5. Performance Measure: Overall average employee job satisfaction rating (on a 6 point scale).						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
TBD- Survey Delayed	TBD Survey Delayed	TBD- Survey Delayed	4.96	5.0	TBD Survey Delayed	TBD- Survey Delayed
What: The County Administrative Office administers a survey to all permanent County employees in order to gauge their overall level of satisfaction with their job.						
Why: This information is used to help assess our organizational health and identify areas for improvement.						
How are we doing? An Employee Engagement and Needs Assessment Survey was performed by the Centre for Organizational Effectiveness in May 2014. Overall, a total of 1,532 responses were received from a possible 2,419 employees, a response rate of 63%. Employees rated their responses on a scale of 1 to 6, where a score of 1 represented Strongly Disagree, 4 representing Somewhat Agree and a score of 6 representing Strongly Agree. Employees ranked their job/career satisfaction an average of 4.62, County Leadership an average of 4.72 and Overall Satisfaction 4.96. This indicates the majority of County employees responding are satisfied with their job. Plans for the next Engagement and Needs Assessment are still to be determined.						
Department Goal: To create an environment whereby all employees feel valued and are proud to work for the County.						
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						
6. Performance Measure: Full-time equivalent Administrative Office budget analyst staff per 1,000 County employees.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
2.51	2.51	2.45	2.35	2.35	2.58	2.27
What: This shows Administrative Office budget staffing per 1,000 county employees.						
Why: This data can be compared with other Administrative Offices of similar characteristics to provide one measure of whether we are appropriately staffed for budget preparation and administration.						
How are we doing? The total FTE budget analyst staffing levels per 1,000 employees for our comparable counties ranges from a high of 4.14 in Placer County to a low of 1.34 in Monterey County. The average ratio of analysts per 1,000 employees was 2.75 for comparable counties, and 2.58 for San Luis Obispo County. For FY 2016-17, we are projecting to exceed our target number due to an increase in the total number of County employees in FY 2016-17.						

MISSION STATEMENT

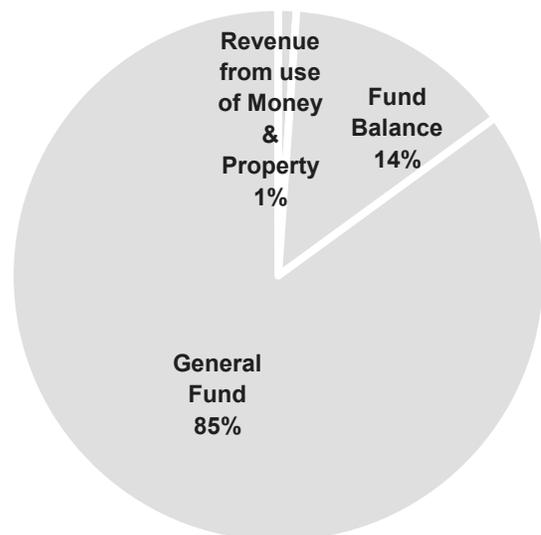
To continuously improve the quality and effectiveness of services provided to the public through interactive communication, strategic planning, organizational reviews, leadership development and staff training in support of the County’s organizational goals and objectives.

Financial Summary	2014-15	2015-16	2016-17	2016-17	2016-17
	Actual	Actual	Requested	Recommended	Adopted
Revenue from Use of Money & Property	\$ 8,590	\$ 12,804	\$ 7,000	\$ 7,000	\$ 7,000
Other Revenues	1	3,500	0	0	0
Other Financing Sources	900,000	604,839	450,000	1,081,393	1,081,393
Total Revenue	\$ 908,591	\$ 621,143	\$ 457,000	\$ 1,088,393	\$ 1,088,393
Fund Balance Available	\$ 95,154	\$ 134,328	\$ 184,798	\$ 184,798	\$ 89,767
Cancelled Reserves	116,997	164,950	268,239	0	95,031
Total Financing Sources	\$ 1,120,742	\$ 920,421	\$ 910,037	\$ 1,273,191	\$ 1,273,191
Salary and Benefits	\$ 79,921	\$ 167,040	\$ 263,724	\$ 263,724	\$ 263,724
Services and Supplies	634,684	650,110	646,313	657,182	657,182
Other Charges	0	0	0	0	0
Fixed Assets	0	0	0	0	0
Gross Expenditures	\$ 714,605	\$ 817,150	\$ 910,037	\$ 920,906	\$ 920,906
Contingencies	0	0	0	0	0
New Reserves	297,093	0	0	352,285	352,285
Total Financing Requirements	\$ 1,011,698	\$ 817,150	\$ 910,037	\$ 1,273,191	\$ 1,273,191

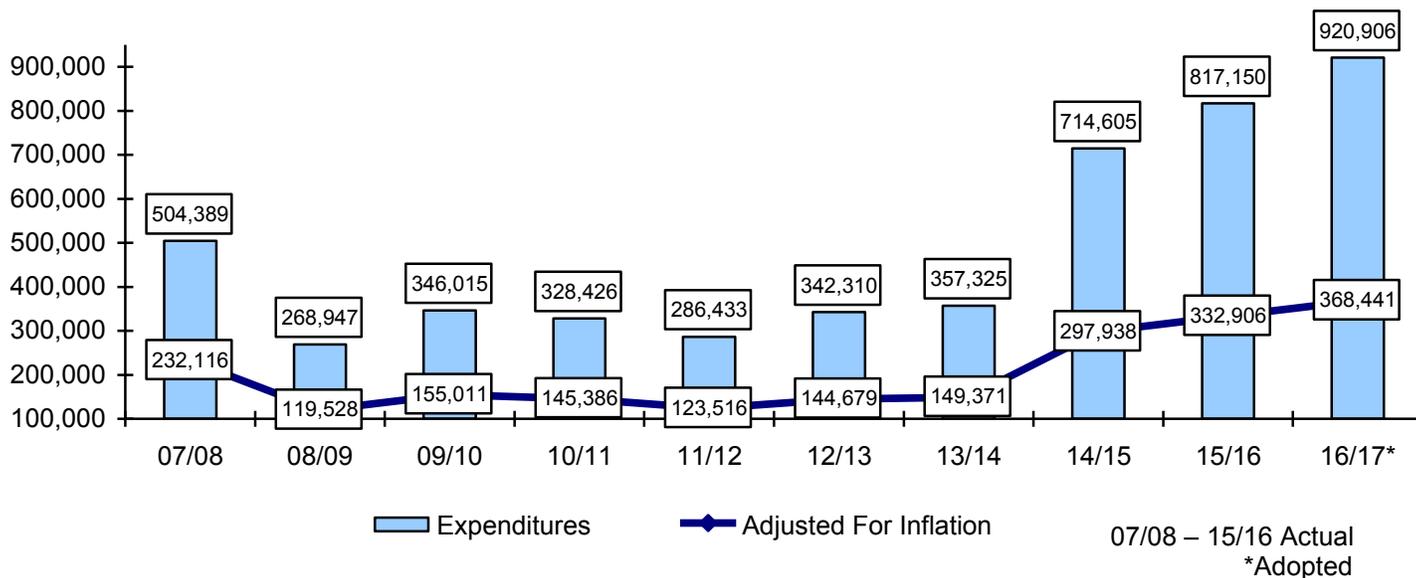
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Organizational Development has a total expenditure level of \$920,906 and a total staffing level of 2.00 FTE to provide the following services.

Employee Development and Training

The Learning and Development Center provides educational and career development for employees, as well as facilitation, mediation and specialized training for County departments.

Total Expenditures: \$535,035 Total Staffing (FTE): 1.00

Social Media and Communications

Provides for the development and implementation of a variety of web technologies that enable interactive and highly accessible communication. This allows increased County and department responsiveness, improves information sharing, and facilitates greater public interaction.

Total Expenditures: \$305,871 Total Staffing (FTE): 1.00

Organizational Effectiveness

Provides support for departments geared toward creating a high performance “results oriented” County organization, including strategic planning, goal setting and performance measurement.

Total Expenditures: \$80,000 Total Staffing (FTE): 0.00

DEPARTMENT COMMENTS

The Organizational Development fund center was established to develop and implement initiatives or services that support a high-performing organization, specifically related to employee development and training, as well as communications.

With this in mind, Organizational Development is responsible for improving the County's interactive communication with the public; strategic planning; reviewing the overall organization; developing leadership within the organization; and training staff to support the County's organizational goals and objectives.

Initiatives for FY 2015-16 included:

- Continued a three-year contract with The Centre for Organization Effectiveness for employee development and consultation services through the County's Learning and Development Center (LDC).
- Continued and enhanced employee development academies for supervisors, managers and executives.
- Implemented a countywide communications plan.
- Developed brand standards/guidelines for the County to help the public more easily identify County programs and services.
- Developed a countywide communications plan.
- Streamlined and coordinated social media outreach across all County departments.

In FY 2016-17, Organizational Development plans to continue its contract with the Centre for Organizational Effectiveness to provide employee development and training through the County's Learning and Development Center and other specialized training opportunities for County departments and leaders. This helps ensure that the County fulfills its mission and vision for the community, and ensures that employees demonstrate the organization's core values of integrity, collaboration, professionalism, accountability and responsiveness.

As part of the County's Communications Plan, Organizational Development will continue to work to increase public awareness of County services and programs and increase overall citizen participation or engagement with County government. Organizational Development will continue to use interactive communications tools and assist county departments to effectively and strategically communicate with and engage members of the public on important issues. Organizational Development will also continue to provide necessary training for certain communications tools and documents, including social media, advertisements, public service announcements, informational videos and news releases or media advisories.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

The recommended budget includes a General Fund contribution in the amount of \$1,081,393, which is 78% higher than FY 2015-16 budgeted levels. This increase is due to a one-time additional General Fund contribution of \$631,393 allocated for Organizational Development reserves.

Total revenue is increasing by \$361,874 or 39% from FY 2015-16 adopted levels. Fund Balance Available is expected to be at \$184,798, an increase of \$50,470 or 37% over FY 2015-16 adopted levels. At the same time, the fund center is not cancelling reserves this year due to the increased General Fund contribution.

Total expenditures are recommended to increase by \$361,874 or 39% from FY 2015-16 adopted levels as well, due to the General Fund transfer to countywide training reserves in the amount of \$352,285 to cushion against any future unexpected events, losses of revenue, and large unbudgeted expenses related to countywide training and communications. This increase is also due to a combination of decreased salary and benefits and increased services and supplies. Salary and benefits expenses are budgeted at \$263,724, which is \$18,047 or 6% less than the previous year due to positions being filled at lower levels than last year. This is based on adjusted salary projections for the 2 positions that are in this fund center.

Services and supplies expense are budgeted at \$657,182, which is \$27,636 or 4% more than adopted FY 2015-16 levels. Most of these increases are a result of more countywide training services as well as improved outreach and communications. Special department expenses are recommended to increase to \$1,200 to improve effectiveness of outreach efforts on social media. Transfers to other departments are increasing to account for support staff time related to countywide training activities, and professional development opportunities (seminars and training fees) for the two positions allocated to this fund center are increasing, as are travel expenses related to those professional development opportunities

Service Level Impacts

The recommended level of General Fund contributions will maintain services at current levels.

Position Allocation List (PAL) Changes

None.

BOARD ADOPTED CHANGES

At year end, the Fund balance available was \$89,767. When the budget was originally created, the County estimated that the FBA would be \$184,798, however the actual amount turned out to be \$89,767, a \$95,031 difference. As part of final budget actions, the County reduced Countywide Training designations by \$95,031 to balance the Organizational Development budget and decrease reserves and designations to a total of \$2,318,122.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

GOALS AND PERFORMANCE MEASURES

Department Goal: To ensure that training opportunities aimed at creating a competent, results-oriented workforce are made available to County employees.						
Communitywide Result Link: <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: Overall average participant satisfaction rating of training programs offered by the Learning and Development Center.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
4.6	4.6	4.3	4.4	4.3	4.5	4.4
What: Provides data on participant overall satisfaction with Learning and Development Center training courses (on a scale of 1-5 with 1 = "poor" 2= "fair", 3= "good", 4= "very good" and 5 = "outstanding"). This is the first level of program evaluation.						
Why: This data provides information on how satisfied participants are with the training programs offered by the Learning and Development Center.						
How are we doing? In FY 2015-16, the Learning and Development Center (LDC) offered a total of 104 classes and, after most classes, the Learning and Development Center sent an e-survey to all participants. Out of 1,839 surveys sent out, 635 responses were received, representing a 35% response rate. The average overall program rating was 4.45 out of 5, indicating that the courses were rated as Very Good to Outstanding. This result exceeds the goal of achieving an overall average rating of 4.3. Of the 635 responses received, 364 participants gave courses they attended a rating of Outstanding and 179 gave a rating of Very Good. Comparison data is not available.						
2. Performance Measure: Percentage of County employees annually impacted by the Learning and Development Center.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
New Measure	New Measure	New Measure	New Measure	30%	31%	30%
What: Provides data on the percentage of County employees taking advantage of the courses offered through the Learning and Development Center which will be tracked by the Learning and Development Center staff. This does not include mandatory training.						
Why: This data reveals the saturation of Learning and Development Center teaching into the organization. This can indicate how successfully the center promotes its offerings and can also indicate the quality of the offerings.						
How are we doing? This was a new measure for FY 2015-16. In addition to the single year target, LDC's long-term goal would be that all employees have taken at least one non-mandatory class within a five-year period. This fiscal year, we have had 1,268 employees attending non-mandatory classes, 806 of which are unique employees. Based on a total permanent employee count of 2,654, this means we have reached 31% of employees, exceeding our target goal of 30% for the year. Comparison data is not available.						

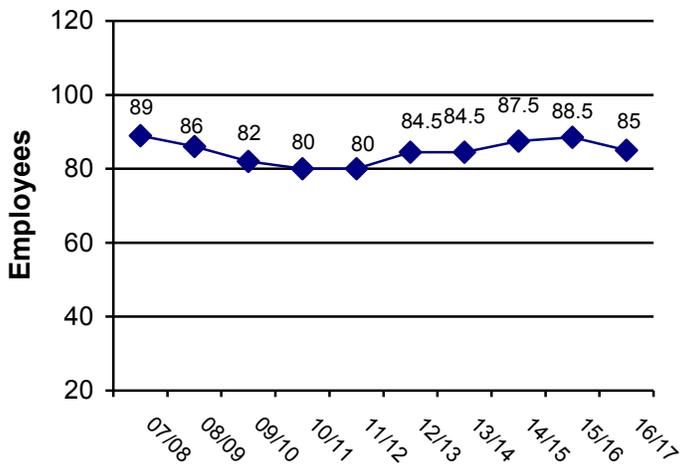
3. Performance Measure: Percentage of eligible County employees who are impacted by Leadership Academy training.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
New Measure	New Measure	New Measure	New Measure	30%	28%	30%
<p>What: Provides data on the percentage of eligible staff members who successfully completed Leadership Academy training.</p> <p>Why: This data provides information on how well the Learning and Development Center's various academies permeate into the organization, how effective the center is at promoting the academies, and the commitment of upper management to the mission of the center.</p> <p>How are we doing? This was a new measure for FY 2015-16. The County currently contracts with the Centre for Organization Effectiveness (COE) to provide leadership training academies for County supervisors, managers and executives. Approximately 450 County employees are eligible for these leadership academies. In FY 2015-16, 57 employees participated in the Manager Academy and 68 employees participated in the Supervisor Academy, for a total of 125 participants. This represents 28% of the eligible County employees who were impacted by the leadership academy training programs. In total 217 eligible employees have been trained since these academies were first launched in the Fall of 2014. The County's contract with the COE limits participation in these two academies to a total of 120 participants per year, although exceptions have been made. The targeted penetration rate of eligible County employees is a bit higher than the contracted amount. If 120 employees were trained each fiscal year, this would represent a penetration rate of almost 27%. Comparison data is not available.</p>						

MISSION STATEMENT

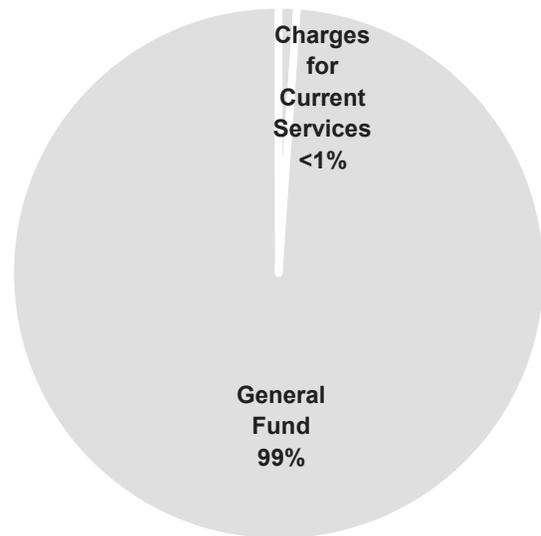
The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect, and teamwork.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Charges for Current Services	\$ 36,347	\$ 36,233	\$ 37,200	\$ 37,200	\$ 37,200
Other Revenues	867	1,107	0	0	0
Other Financing Sources	25,532	24,978	0	25,000	25,000
Interfund	184,431	67,255	0	0	0
**Total Revenue	\$ 247,177	\$ 129,573	\$ 37,200	\$ 62,200	\$ 62,200
Salary and Benefits	8,057,646	7,960,370	8,577,453	8,655,370	8,655,370
Services and Supplies	861,937	809,958	935,896	920,459	920,459
Fixed Assets	17,551	8,629	0	44,500	44,500
**Gross Expenditures	\$ 8,937,134	\$ 8,778,957	\$ 9,513,349	\$ 9,620,329	\$ 9,620,329
Less Intrafund Transfers	517	1,963	0	0	0
**Net Expenditures	\$ 8,936,617	\$ 8,776,994	\$ 9,513,349	\$ 9,620,329	\$ 9,620,329
General Fund Support (G.F.S.)	<u>\$ 8,689,440</u>	<u>\$ 8,647,421</u>	<u>\$ 9,476,149</u>	<u>\$ 9,558,129</u>	<u>\$ 9,558,129</u>

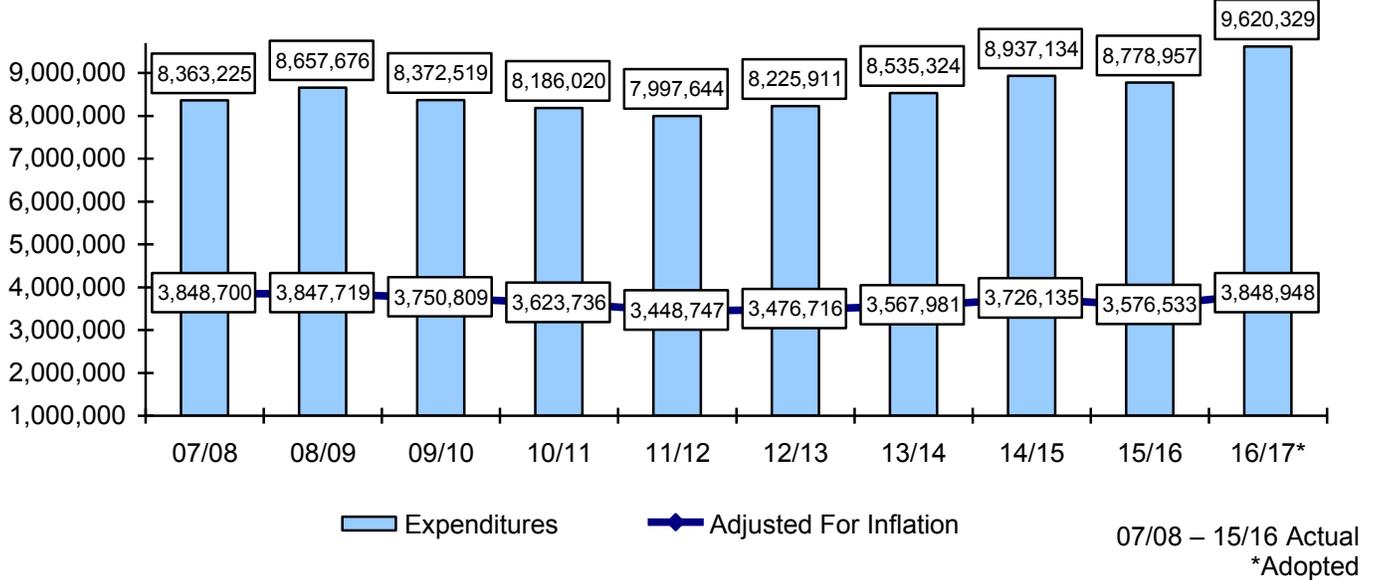
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Assessor has a total expenditure level of \$9,620,329 and a total staffing level of 85.00 FTE to provide the following services:

Administration/Standards

Oversee the preparation of all property assessments; analyze and track legislation pertaining to property taxes; develop and implement procedures based upon new legislation; compile and deliver internal and state mandated reports to appropriate agencies; process and track all assessment appeals. Coordinate office operations; manage human resource functions and issues; oversee training for staff; coordinate accounts payable and payroll; and develop and monitor the department’s budget.

Total Expenditures: \$1,166,388 Total Staffing (FTE): 8.00

Assessment Valuation, Reviews, and Appeals

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

Total Expenditures: \$4,337,423 Total Staffing (FTE): 37.00

Automation

Implement and monitor the automated systems within the department. Oversee systems security and the development, implementation, and maintenance of automation networks, work stations, software, and miscellaneous hardware utilized in processing the assessment roll.

Total Expenditures: \$731,954 Total Staffing (FTE): 5.00

Public Service

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

Total Expenditures: \$523,307 Total Staffing (FTE): 6.00

Roll Preparation

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

Total Expenditures: \$2,861,257 Total Staffing (FTE): 29.00

DEPARTMENT COMMENTS

The Assessor is constitutionally responsible for locating taxable property, identifying ownership, and determining the value of real, business, and personal property within the County of San Luis Obispo. The Assessor is mandated to complete an annual assessment roll reporting the assessed values for all properties within the County. Preparation of the assessment roll includes administering lawfully established exemptions that benefit property owners. The Assessor must maintain current Assessor maps and track the ownership for all parcels in the County.

As FY 2016-17 approaches, the Assessor and his staff will continue to address an ongoing combination of challenging issues. The real estate market's decline in property values, which began in 2006, continues to amplify staff's appraisal and public service workload even with the rising property values. Property assessed under a decline in value must be reviewed annually until such time as the market value has risen above the Proposition 13 Factored Base Year Value.

The Assessor's Office will be highly affected by the outcome of the Property Tax System Modernization Project (PTSMP). The PTSMP will move the Property Tax System off of the mainframe computer and re-host it on a new computing platform. The project is currently expected to "go-live" in April of 2016. It is expected that "go-live" will be followed by 12 months (a full cycle) of issues and problems to be resolved.

The Assessor's Mapping section is working closely with Environmental Systems Research, Incorporated (ESRI) to develop and subsequently maintain a timely and accurate GIS parcel map layer to be used by all County departments and participating cities. The accurate conversion of data has proved challenging and the project will continue through FY 2016-17.

The Assessor's Office continues to experience the loss of institutional knowledge as long term employees retire. The department recognizes staff training and development as a top priority. In conjunction, the department is focused on procedural documentation and cross training in each section to broaden and strengthen the knowledge base of all staff members.

Following are some of the department's notable accomplishments for FY 2015-16 and specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Partnered with ESRI to convert assessor parcel map data into GIS data improving accuracy of map data by providing quality control during the conversion process.
- Staff dedicated to the PTSMP and many other staff members, known as subject matter experts,

FY 2016-17 Objectives

- Complete the parcel map conversion and enter the maintenance phase of a Countywide GIS parcel layer to serve all County departments, partnering cities, and the public we serve.
- Will be heavily involved in the testing of the new PTSMP after expected "go-live" in April of 2016.

extensively tested processes and databases within the converted system.

- Resolved 140 assessment appeals in the first half of FY 2015-16, and retained \$133,171,545 of the total assessed value at risk on the assessment roll.
 - Upgraded the Attribute Inventory System to resolve multiple issues and include commercial property attributes combined with a commercial sales database.
 - Substantially reduced the work backlogs down to 3,314 that resulted from the market downturn in 2006. Some backlogs will still remain at the end of FY 2015-16.
- Engage in succession planning focused on staff education, training and cross-training, and procedural documentation especially for critical tasks.
 - Upgrade the Assessment Evaluation Service, which is used to track appraiser's workload, store property photos, and determine property values based on the property characteristics.
 - Eliminate the 3,314 work backlogs, which were the result of the market downturn in 2006 by the end of FY 2016-17.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

The level of General Fund support for this budget is recommended to increase \$432,749 or 4% compared to FY 2015-16 adopted levels. Revenues are recommended to decrease \$418,261 or 87% and total expenditures are recommended to increase \$14,488 or less than 1% when compared to FY 2015-16 adopted levels.

Revenues are decreasing due to the elimination of \$418,361 in reimbursement revenue for the Property Tax System Modernization Project (PTSMP) from Fund Center 266 – Countywide Automation Replacement. The PTSMP is set to "go-live" in April of 2016 and as a result, the 4.50 FTE limited term positions allocated for the project are being eliminated.

Salaries and benefits are recommended to decrease \$114,589 or 1% due to the elimination of the 4.50 FTE limited term positions allocated for the PTSMP. This decrease is nearly offset by wage and benefit contribution increases for staff positions and the recommended budget augmentation request to add 1.00 FTE Limited Term Geographic Information Systems (GIS) Analyst position (outlined below) to the Position Allocation List (PAL).

Services and supplies are recommended to increase \$94,577 or 11% due to a variety of factors. The department is now responsible for the entire Exigent User License agreement due to the Clerk Recorder's Office moving off the system, an increase of \$21,500 or 138%. Training expense is recommended to increase by \$12,900 or 50%. The recommended budget also includes an increase of \$42,060 or 120% to replace automation software, computers, printers, and copiers.

Fixed assets are recommended to increase by \$34,500 or 345% from FY 2015-16. A replacement server and replacement copier are the only fixed assets recommended in FY 2016-17. The server is needed to allow the department to continue to process changes in ownership.

Service Level Impacts

There are no significant service level changes. The addition of 1.00 FTE GIS Analyst position (discussed below) will support the Geographic Information Systems parcel conversion project.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for the Assessor includes a net decrease of 3.50 FTE compared to FY 2015-16 adopted levels.

FY 2015-16 Mid-Year PAL Changes

- -4.00 FTE Cadastral Mapping Systems Specialist positions as part of a countywide reclassification effort to move the County's GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)
- +4.00 FTE Geographic Information Systems Analyst positions as part of a countywide reclassification effort to move the County's GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)
- -1.00 FTE Cadastral Mapping Systems Supervisor position as part of a countywide reclassification effort to move the County's GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)
- +1.00 FTE Senior Geographic Information Systems Analyst position as part of a countywide reclassification effort to move the County's GIS organizational structure toward a more centralized and coordinated model (Board approved 8/25/2015)

FY 2016-17 Recommended PAL Changes

- -3.00 FTE Limited Term Assessment Analyst series positions allocated for PTSMP
- -1.50 FTE Limited Term Assessment Technician series positions allocated for PTSMP
- -1.00 FTE Secretary I position as part of the requested budget
- +1.00 FTE Assessment Analyst Series position as part of the requested budget
- +1.00 FTE Limited Term Geographic Information Systems (GIS) Analyst position

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
<p><u>Gross Annual Cost:</u> \$25,000</p> <p><u>Total Cost of Program:</u> Total cost of \$150,000 over six years</p> <p><u>Funding Source:</u> FC 266- Countywide Automation Replacement</p>	<p>Historic Map Preservation and Storage - Year 4 of 6</p> <p>Continuation of funding to properly preserve, scan for digital retrieval, microfilm, and acquire storage for historic maps.</p>	<ol style="list-style-type: none"> 1. Properly preserve historic maps over a six year period on the following timetable: <ul style="list-style-type: none"> • Year 1- Township Maps of San Luis Obispo County • Year 2- Subdivision and Re-subdivision Maps • Years 3-4- City of San Luis Obispo blocks • Years 5-6- City of San Luis Obispo subdivisions 2. Assure that historic maps are preserved and available as a part of the public record for 300-500 years in the future as required by the State. 3. Enable the department to provide accurate assessment rolls in the future.
<p><u>Gross Annual Cost:</u> \$86,497</p> <p><u>Funding Source:</u> General Fund support</p>	<p>Add 1.00 FTE Limited Term Geographic Information Systems Analyst position to support the Geographic Information Systems parcel conversion project.</p> <p>The requested position is limited term for a period of 5 years and will be eliminated on 6/30/2021.</p>	<p>The position will support the completion of Geographic Information Systems parcel conversion project by bringing the quality level up by approximately 10% or greater due to a better understanding of the historical documents and maps located in the Assessor's office. The conversion of the approximately 126,500 County of San Luis Obispo parcels into an ESRI ArcGIS Parcel Fabric dataset will provide accurate and timely parcel data to all users in the enterprise, and will enable the Assessor staff to maintain the data and create official maps for assessment purposes from these data.</p>

BUDGET AUGMENTATION REQUESTS NOT ADOPTED

Unit Amount	Description	Results
<p>Gross Annual Cost: \$131,858</p> <p>Funding Source: General Fund support</p>	Add 1.00 FTE Supervising Auditor Appraiser	Increase the processing of mandatory and non-mandatory audits, improve the enrollment of assessment changes, better manage the assessment review and appeal workload, increase assessment roll quality through better database management, provide for a timely supplemental assessment program, and properly address roll close reports to ensure a quality unsecured assessment roll. Increase the ability to timely process the assessment roll and audit accounts. An estimated increase in tax revenue to the County of \$293,000 per year could be achieved.
<p>Gross Annual Cost: \$25,000</p> <p>Funding Source: General Fund support</p>	Backfile Conversion Consultant	Assist in assessing the scope of either scanning and/or developing new processes to convert and maintain the Assessor's paper records digitally. Assist in achieving a number of goals towards implementing a backfile conversion project.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: To levy fair and equitable assessments on taxable property in an accurate and timely manner by using accepted appraisal principles and prevailing assessment practices.</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: Percentage of the assessment roll completed by June 30th of each year.</p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
91%	89%	91%	96.3%	97%	96.3%	98%
<p>What: Measures the percentage of assessments that are appraised before the June 30th deadline.</p> <p>Why: Incomplete assessments will generate inaccurate tax bills. When assessments are completed after the year-end deadline, the Assessor, and the Auditor-Controller-Treasurer-Tax Collector-Public Administrator must process revised assessments and tax bills. These revisions increase the costs of preparing the assessment roll and thus costs associated with property taxes. In addition, property owners are inconvenienced by revisions to their assessments and the associated delays. Public service inquiries to all related offices increase.</p> <p>How are we doing? For FY 2015-16, the actual results of 96.3% were slightly below the adopted percentage by 0.7%. Although below, the results continue to reflect the increase in appraisal staffing levels during the last two years and the extensive training provided to allow new staff to gain a solid understanding of appraisal principles. Completion at a rate below adopted was primarily due to the extensive testing by staff of the new property tax system and intermittent down times during go-live. Appraisal staff addressed a large number of prior year appeals and completed a significant portion of the FY 2015-16 workload and all prior year backlog. As the real estate market continues to gain strength, the number of Proposition 8 Decline-in-Value assessments decreases. The strengthening market adds to the complexity of the annual review appraisals required on all properties under a reduced assessment and generates an increase in public service interactions as values increase on previously reduced assessments. This creates additional work items due to the property value reviews that result from the public inquiries.</p> <p>The department has set the target completion rate at 98% for FY 2016-17. This reflects the appraiser added to the department's staff during the FY 2015-16 budget cycle while adjusting for ongoing challenges resulting from the retirement of long term upper level appraisal staff members as well as other challenges, especially new technology. Backlogs are expected to be eliminated by June 30, 2017. Once backlogs are eliminated, staff will again be able to focus on various internal work items such as data collection, cost research, record maintenance, and database enhancement that, due to excessive workloads combined with prior reduced staff levels, have not been fully addressed for several years.</p> <p>No comparable county information is available for this performance measure. Each county measures workload differently and completion rates are not collected or published by the State Board of Equalization.</p>						

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
3,531	3,306	3,359	3,232	3,300	2,928	3,300

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

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

How are we doing? The number of completed assessments per appraiser was 2,928 for FY 2015-16, which is below the adopted FY 2015-16 target of 3,300. A total of 73,206 items were processed with 2,824 remaining. There were 25 appraiser positions in FY 2015-16, of which several were vacant for most of the year resulting in a reduced number of completed work items. In addition, as the number of Proposition 8 Decline-in-Value assessments is reduced by value restoration, the department is no longer able to extensively utilize the more automated processes.

The department also set 3,300 as the target for FY 2016-17. The department is uncertain if this target will be met because vacancies will continue to be problematic as many valuation section staff members are at retirement age. The ongoing loss of institutional knowledge continues to heighten the importance of staff training and succession planning by management as promotions to fill positions previously held by long-term retiring staff occur, and new staff are hired to fill vacancies at the entry level positions. This has been a significant problem in the area of complex Agricultural and Commercial assessments, reducing production per appraiser.

The complexity of the workload and the time spent on public service contact continues to be significant as real estate market values have slowly and steadily improved. These factors also impact the actual number of appraisals that each appraiser is able to complete.

No comparable county information is available for this performance measure as each county quantifies work items differently.

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

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
4.6	2.7	3.5	1.3	1.1	0.85	1.3

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

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

How are we doing? As the real estate market strengthens, property values are partially or fully restored to their Proposition 13 value including the annual factoring that would have occurred were the property not provided Proposition 8 property tax relief. These increases, that routinely occur at a higher rate than the Proposition 13 annual factoring limitation, cause affected property owners to question their assessed valuation. The department excels in providing information to questioning property owners, is proactive in reviewing the values assessed to County properties, and takes pride in responding quickly to inquiries by property owners. This has a direct impact on reducing the filing of an assessment appeals. Assessment appeals are time consuming for department staff as well as staff from other departments including the County Clerk-Recorder and the County Auditor-Controller-Treasurer-Tax Collector-Public Administrator.

During FY 2015-16 the number of assessment appeals filed was 158 which equates to 0.85 Assessment Appeals for every 1,000 property assessments. This is slightly lower than the adopted target due to public service excellence combined with strong market conditions. Based upon the most recent California State Board of Equalization's Report of Budgets, Workloads, and Assessment Appeals Activities for Assessor's Offices (statistics for FY 2013-14), San Luis Obispo County continues to have the lowest number of assessment appeals filed among the comparable counties of Santa Barbara (3.3), Marin (3.3), Monterey (3.6), Sonoma (4.4), Napa (4.9), Placer (4.9), and Ventura (8.8).

The department targeted 1.3 for FY 2016-17. This was based on the significant number of Proposition 8 Decline-in-Value restorations at the June 30, 2015 roll close, which could have potentially increased the filing of Assessment Appeals. The ongoing market strength combined with the department's proactive public service efforts paid off as seen in the actual results for FY 2015-16. The department expects this trend to continue and that actual results will be less than the target.

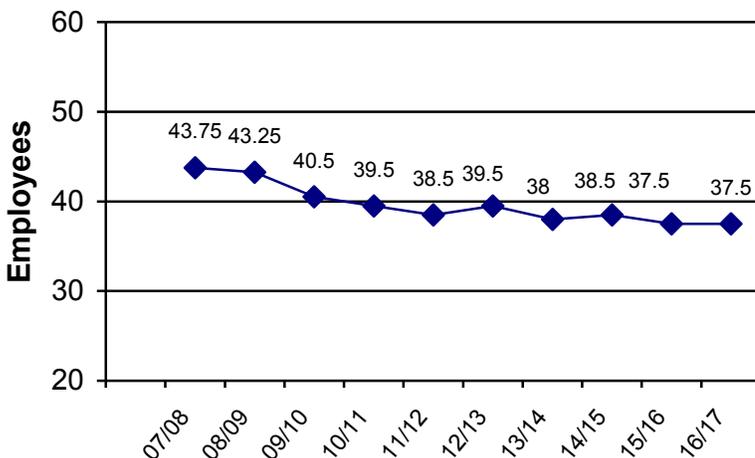
4. Performance Measure: Cost per assessment.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
\$43.75	\$43.97	\$44.77	\$47.11	\$50.14	\$49.51	\$51.50
<p>What: This measures the cost per assessment by dividing the department's level of General Fund support by the total number of assessments.</p> <p>Why: The Assessor's Office strives to make the most effective use of all available resources in order to produce assessments at a reasonable cost.</p> <p>How are we doing? The department's projected cost per assessment was \$50.14 for FY 2015-16. Actual results were slightly below at \$49.51. The most recent California State Board of Equalization Report on Budgets, Workloads, and Assessment Appeals Activities for Assessor's Offices (statistics for FY 2013-14) shows San Luis Obispo County as one of the counties with a lower cost per assessment among the comparable counties of Santa Barbara (\$64.61), Marin (\$62.93), Placer (\$59.18), Napa (\$57.73), Ventura (\$45.66), Sonoma (\$40.07), and Monterey (\$31.19).</p> <p>The Department is targeting an amount of \$51.50 for the FY 2016-17. The increase is due to an anticipated increase in salary and benefits and service and supply costs.</p>						

MISSION STATEMENT

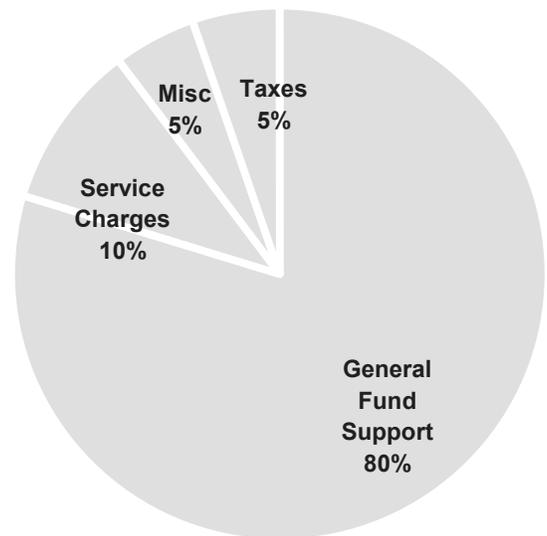
The Auditor-Controller-Treasurer-Tax Collector Office-Public Administrator ensures the public's trust by serving as the guardian of assets and funds administered for the County, cities, schools, and special districts and by being an independent source of financial information and analysis for the public, local governmental agencies, County departments, and all other stakeholders.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Taxes	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Fines, Forfeitures and Penalties	65,114	35,634	28,500	28,500	28,500
Intergovernmental Revenue	12,648	20,468	19,338	20,960	20,960
Charges for Current Services	438,593	480,339	538,466	555,815	555,815
Other Revenues	34,727	45,941	42,745	42,745	42,745
Other Financing Sources	0	10,000	0	0	0
Interfund	44,410	113,745	30,000	30,000	30,000
**Total Revenue	\$ 845,492	\$ 956,127	\$ 909,049	\$ 928,020	\$ 928,020
Salary and Benefits	4,766,521	4,899,035	5,005,951	5,096,415	5,096,415
Services and Supplies	217,208	240,584	268,046	268,046	268,046
**Gross Expenditures	\$ 4,983,729	\$ 5,139,619	\$ 5,273,997	\$ 5,364,461	\$ 5,364,461
Less Intrafund Transfers	15,681	27,391	16,850	16,850	16,850
**Net Expenditures	\$ 4,968,048	\$ 5,112,228	\$ 5,257,147	\$ 5,347,611	\$ 5,347,611
General Fund Support (G.F.S.)	<u>\$ 4,122,556</u>	<u>\$ 4,156,101</u>	<u>\$ 4,348,098</u>	<u>\$ 4,419,591</u>	<u>\$ 4,419,591</u>

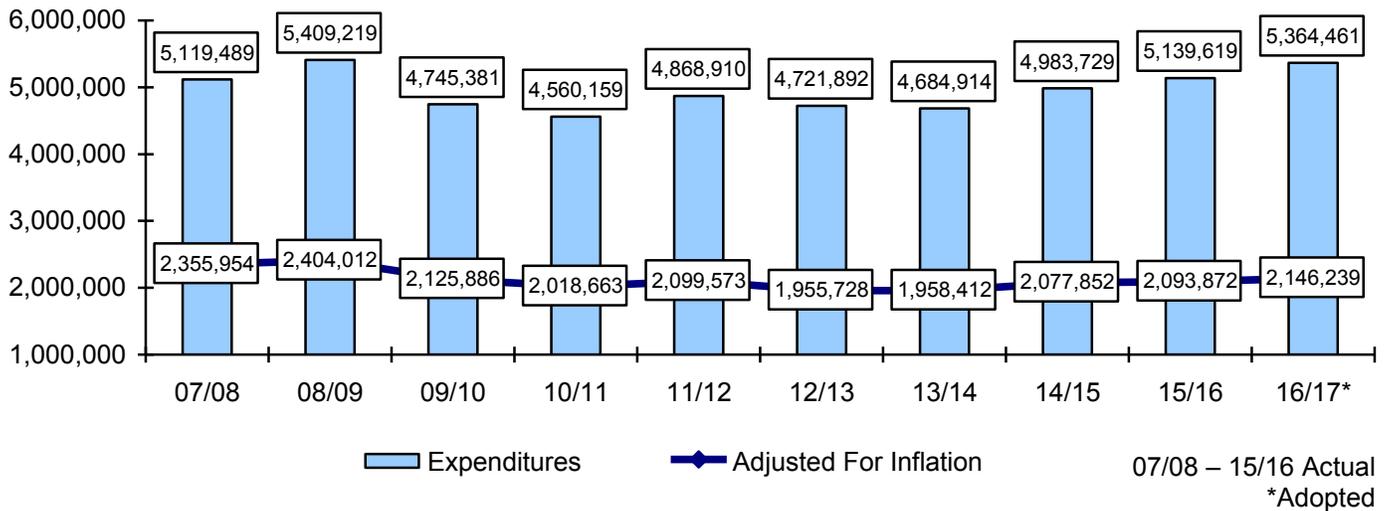
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Auditor-Controller’s Office has a total expenditure level of \$5,364,461 and a total staffing level of 37.50 FTE to provide the following services:

Accounts Payable

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

Total Expenditures: \$554,663 Total Staffing (FTE): 5.00

Internal Audit Division

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

Total Expenditures: \$701,300 Total Staffing (FTE): 5.00

Budget and Cost Accounting

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

Total Expenditures: \$420,001 Total Staffing (FTE): 2.00

Financial Reporting

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

Total Expenditures: \$880,651 Total Staffing (FTE): 5.50

Payroll Processing

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

Total Expenditures: \$1,123,453 Total Staffing (FTE): 8.00

Property Tax Processing

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

Total Expenditures: \$548,279 Total Staffing (FTE): 5.00

Public Administrator

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

Total Expenditures: \$218,542 Total Staffing (FTE): 1.00

Systems Support

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

Total Expenditures: \$917,572 Total Staffing (FTE): 6.00

DEPARTMENT COMMENTS

The Auditor-Controller has primary responsibility for all accounting and auditing functions of County Government. This includes all funds, departments, and special districts under the governance of the Board of Supervisors. As Chief Accounting Officer for County Government, the Auditor-Controller faces the challenging task of covering a vast range of daily tasks while remaining responsive to emerging needs associated with new mandates, programs, and legislation.

In August 2013, San Luis Obispo County became one of 12 counties in the State of California to merge the offices of Auditor-Controller and Treasurer-Tax Collector-Public Administrator (ACTTCPA). FY 2015-16 was the second year the two offices operated as one department under a single elected official. The new office was formed to create efficiencies, provide savings to the County, enhance public service, and provide opportunities for staff development by incorporating the best practices, philosophies, and ideas of both offices.

The following are some of the department's notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Refunded a portion of the Nacimiento Water Bonds to take advantage of a lower interest rate saving taxpayers an estimated \$12.7 million over the life of the bonds. The Nacimiento Water Project consists of 45 miles of pipeline and

FY 2016-17 Objectives

- Replace the outdated 15+ year old (DOS) based Cost Plan Program. The current system resides on a shared server that is scheduled to be retired when the BP replacement project is completed in October 2016. Complete the

infrastructure used to deliver water to the communities of Paso Robles, Templeton, Atascadero, and San Luis Obispo.

- Participated in the second phase of the Budget Preparation (BP) replacement project. ACTTCPA staff worked with the project vendor and the Administrative Office on the design and implementation during the year. The new system is scheduled to go live in October 2016 and will be used to prepare the FY 2017-18 budget.
- Developed two new Enterprise Financial System (EFS) training courses and presented them to department users. EFS Support created a new three part course on SAP reporting using Business Objects and conducted multiple training sessions for each one. In addition, ATTCCPA staff developed a new Project Systems course. The County uses Project Systems to capture cost accounting information for construction and software implementation projects. A total of 286 users attended EFS training courses presented by our staff during the fiscal year.
- Continued to make progress towards accomplishing office consolidation objectives identified in FY 2013-14. Notable accomplishments in these areas were developing a single set of office policies, creating career opportunities by promoting from within, and supporting staff development by conducting multiple staff led Word and Excel training sessions for our employees.
- Completed the migration of the Property Tax system off the mainframe to a modern technology platform.
- Update the Travel Policy and present it to the Board of Supervisors for approval before the end of the year. Staff in the ACTTCPA audits and pays travel claims in accordance with provisions of the Travel Policy. Periodically, it is necessary to review the policy and update it to reflect the County's changing needs and any new legislative requirements.
- Expand the annual patch process to include application of SAP's latest enhancement packs. SAP support packs are applied annually to maintain existing functionality. Adding the latest enhancement pack maintains readiness for new SAP functionality. If feasible with existing projects, the office plans to install six of the latest enhancement packs in FY 2016-17.
- Continue working on the consolidation objectives identified in FY 2013-14. These included creating an optimal office structure, promoting an integrated office culture, maximizing staff resources, and optimizing the office layout. High priority projects include an extensive review of all internal controls, implementation of the new organization chart, and revising the job specifications for various positions to reflect the needs of the merged office.
- Continue the implementation and testing of the new Property Tax System.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

General Fund support for FY 2016-17 is recommended to increase by \$291,124 or 7% as compared to FY 2015-16 adopted levels.

Revenues are decreasing by \$104,594 or 10% primarily due to the elimination of the Limited Term Auditor Analyst I/II/III position used to backfill for staff working on the Property Tax System upgrade project. The position was funded with revenue from Fund Center 266 – Countywide Automation. The system is anticipated to go-live in FY 2015-16 and as a result, the position is no longer needed

Overall, expenditures are increasing by \$186,530 or 3% when compared to FY 2015-16 levels. Salaries and benefits are recommended to increase by \$146,144 or 2% resulting from a combination of wage and benefit increases approved for FY 2015-16, the elimination of the limited term position noted above, and the addition of a Limited Term Auditor-Analyst I position. As detailed in the Budget Augmentation Request (BAR) below, the two-year Limited Term Auditor-Analyst I position is being recommended to assist in the transfer of knowledge in the Property Tax division of the department as the Principal Auditor-Analyst in charge of the division will be retiring in 2018. The duties associated with the Property Tax division are very technical with substantial statutory penalties for not meeting deadlines. The need to start training a replacement, while the incumbent is still available to train, is crucial. The position is partially offset by an increase in revenue.

Services and supplies are recommended to increase by \$45,836 or 20% from FY 2015-16 levels. Attributing to this is increased training costs associated with the County's EFS and replacement computers costs.

Service Level Impacts

There are no service level impacts as a result of the recommended level of General Fund support for FY 2016-17.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for the department includes no change in net FTE compared to the FY 2016-17 adopted PAL.

FY 2016-17 Recommended PAL Changes

- - 1.00 Limited Term Auditor Analyst I/II/III
- + 1.00 Limited Term Auditor Analyst I

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
<p>Gross Annual Cost: \$90,474 for FY 2016-17</p> <p>Funding Source: General Fund \$61,559</p> <p>Other revenue: Senate Bill (SB) 2557 Administration fees: \$11,566 Redevelopment Development Act dissolution fees: \$17,349</p>	<p>Add 1.00 FTE Limited Term Auditor- Analyst I position to train with the Principal Auditor-Analyst in charge of the Property Tax division.</p>	<p>The following results will be achieved pursuant to Health and Safety Code and Revenue and Taxation Code's required deadlines:</p> <ol style="list-style-type: none"> 1. Continued uninterrupted coverage of Property Tax Division processes and tasks; 2. Compliance with legislative statutory requirements which will prevent audit findings by the California State Controller's Office; 3. Timely and accurate distribution of over \$500 million in property tax revenues to 92 local taxing agencies; 4. Timely reporting of the Annual Report of Property Taxes which will prevent a \$1,000 penalty; 5. Timely billing of the SB 2557 Administration Fees in order to receive more than \$1.5 million in General Fund revenues; 6. Timely redevelopment reporting will prevent a penalty of 10% of the amount to be reported and withholding of sales tax revenues.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Provide periodic review of the internal controls of County departments, and service providers to ensure compliance with regulations, policies and procedures; and minimize losses from fraud or misappropriation.</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: Number of reviews, special district audits, trust fund reviews, and grant compliance audits performed for County departments.</p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
17	20	11	12	15	8	15
<p>What: The Internal Audit Division reviews various offices, funds, and programs each year. Selection is made based on legal mandates, and measures of risk, such as dollar value, complexity, and/or the existence (or lack) of other checks and balances.</p> <p>Why: The reviews and audits help to minimize or prevent losses from fraud, waste, and abuse; and from non-compliance with program funding requirements. Since department managers are often unaware of their department's selection for a detailed audit in any particular year, this serves as a deterrent for lax internal controls.</p> <p>How are we doing? The Audit staff performs cash, departmental, compliance, and State mandated audits; and review and research duties. In addition to audit work, the team also reviews County fees, prepares and submits the County's Financial Transaction Report to the State and takes the lead in preparing the Comprehensive Annual Financial Report (CAFR). Audits and other reports prepared by the Audit staff are submitted to the Board of Supervisors and are available to the public for comment. Actual results for FY 2015-16 are lower than the goal due to the amount of time required to transition to a new outside auditing firm and the associated delay in issuing the FY 2014-15 CAFR.</p>						
<p>2. Performance Measure: Number of concessionaire, Transient Occupancy Tax (bed tax), or service provider audits completed.</p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
21	24	18	20	11	8	11
<p>What: Selected concessionaires, hotels, and contracted service providers are audited on a rotating basis so that they can expect to be studied once every three or four years. Hotels and most concessions pay the County based on percentages of gross receipts, and many contractors are paid based on counts of eligible services provided.</p> <p>Why: These audits help to ensure the County is receiving all the revenue it is entitled to, and that payments are made for services actually received. In addition, we try to maintain a level playing field so local businesses pay no more or less than their fair share under the law, and are properly compensated when contracting with the County.</p> <p>How are we doing? In FY 2015-16, Audit staff did not to meet the goal for concessionaire, service provider, and Transient Occupancy Tax (TOT) audits. We believe maintaining an audit presence helps create an even balance in the community. In addition, Audit staff continued to focus on monitoring service providers' compliance with contracts to the County. Our objective is to ensure service providers are properly compensated and the County receives the full spectrum of services purchased. Audits and other reports prepared by the Audit staff are submitted to the Board of Supervisors and available to the public for comment. Actual results for FY 2015-16 are lower than the goal due to the amount of time required to transition to a new outside auditing firm and the associated delay in issuing the FY 2014-15 CAFR. Staff were also performing a complex performance audit which encompassed four service providers. Results of this audit will be submitted in early FY 2016-17.</p>						
<p>Department Goal: Maintain the financial health of the County by developing effective annual budgets, accurately identifying expenditures, and ensuring recovery of revenues from State and Federal sources.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>3. Performance Measure: A favorable audit, by the State Controller's Office, of reimbursable costs allocated through the Countywide Cost Allocation Plan, prepared in accordance with Federal regulations.</p>						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions
<p>What: State and Federal agencies allow for County's overhead cost reimbursement through numerous programs and grants. The Countywide Cost Allocation Plan is a tool used to distribute overhead costs to programs and departments within the County.</p>						

<p>Why: The County is reimbursed for overhead costs.</p> <p>How are we doing? The State Controller's Office performed an audit of the FY 2014-15 Countywide Cost Allocation Plan. There were no findings or adjustments as a result of the audit.</p>																				
<p>Department Goal: Provide timely and accurate financial information for the public, Board of Supervisors, and County departments.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>																				
<p>4. Performance Measure: Received a clean auditor's opinion on the Comprehensive Annual Financial Report (CAFR).</p> <table border="1"> <thead> <tr> <th>11-12 Actual Results</th> <th>12-13 Actual Results</th> <th>13-14 Actual Results</th> <th>14-15 Actual Results</th> <th>15-16 Adopted</th> <th>15-16 Actual Results</th> <th>16-17 Target</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>What: A clean opinion from outside auditors measures the reliability, integrity and accuracy of the information presented in the County financial statements.</p> <p>Why: Provides assurance to the public, investors and others that the County's financial position is presented fairly and accurately.</p> <p>How are we doing? The review of the County's financial statements is required to be done and submitted to the State Controller's Office by December 31 following the end of each fiscal year. The external auditors completed their annual audit of the FY 2014-15 fiscal year's financial statements and have issued an unqualified or clean opinion.</p>							11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target	1	1	1	1	1	1	1
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target														
1	1	1	1	1	1	1														
<p>Department Goal: Provide high quality, cost effective Auditor-Controller services.</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>5. Performance Measure: Auditor Controller staff per 100 County employees.</p> <table border="1"> <thead> <tr> <th>11-12 Actual Results</th> <th>12-13 Actual Results</th> <th>13-14 Actual Results</th> <th>14-15 Actual Results</th> <th>15-16 Adopted</th> <th>15-16 Actual Results</th> <th>16-17 Target</th> </tr> </thead> <tbody> <tr> <td>1.6</td> <td>1.6</td> <td>1.6</td> <td>1.5</td> <td>1.5</td> <td>1.4</td> <td>1.4</td> </tr> </tbody> </table> <p>What: This shows Auditor Controller staffing levels per 100 County employees.</p> <p>Why: This data can be compared with Auditor-Controller offices of similar characteristics to provide one measure of whether we are appropriately staffed.</p> <p>How are we doing? Staffing levels per 100 employees for our comparable counties (5 counties surveyed) ranged from a low of 1.1 in Monterey County to a high of 2.9 in Marin County. The Auditor's Office maintains levels slightly below the comparable counties average of 1.6. We exceeded our target number due to an increase in the total number of County employees in FY 2015-16. We are also seeing a slight increase in the number of full time equivalent employees (FTEs) in our comparable counties.</p>							11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target	1.6	1.6	1.6	1.5	1.5	1.4	1.4
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target														
1.6	1.6	1.6	1.5	1.5	1.4	1.4														
<p>Department Goal: 100% of legal mandates should be implemented within established deadlines.</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>6. Performance Measure: Percentage of legal mandates implemented within established deadlines.</p> <table border="1"> <thead> <tr> <th>11-12 Actual Results</th> <th>12-13 Actual Results</th> <th>13-14 Actual Results</th> <th>14-15 Actual Results</th> <th>15-16 Adopted</th> <th>15-16 Actual Results</th> <th>16-17 Target</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <p>What: Monitor State and Federal legislation regularly in order to keep updated with changes to current mandates and new mandates.</p> <p>Why: So that a proactive response to implement changes to current mandates and new mandates is seamless and timely.</p> <p>How are we doing? During FY 2015-16, we successfully implemented all known legal mandates including California State AB1522, the Healthy Workplace Healthy Family Act, which provides sick leave for all California employees. In addition, staff implemented a new reporting provision of the Patient Protection Affordable Care Act (PPACA) which requires the County to report to the IRS and to every employee the offer of health care by month. In the Property Taxes division, our office complied with statutory requirements to allow the City of Grover Beach to opt-in to the County's Teeter Plan, an alternative method for distributing secured property taxes in which agencies receive 100% of the current year levy. The number of legal mandates varies from year to year depending on changes at the State and Federal levels.</p>							11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target	100%	100%	100%	100%	100%	100%	100%
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target														
100%	100%	100%	100%	100%	100%	100%														

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

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

7. Performance Measure: Percentage of referrals to the Public Administrator that are completed with an initial investigation report, and a decision to accept or decline, within 15 business days.

(This performance measure was moved from Fund Center 108 (Treasurer-Tax Collector) to Fund Center 107 (Auditor-Controller) for FY 2016-17.)

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
80%	100%	100%	100%	100%	100%	100%

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

Why: California Probate Code section 7620 states that the Public Administrator shall act "promptly" in regards to making decisions on case acceptance. This measure demonstrates the County's compliance with this legal requirement and the expediency with which the County protects estate assets.

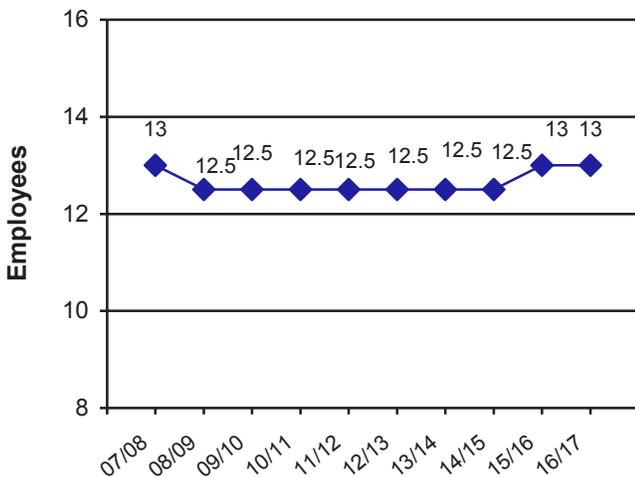
How are we doing? All cases referred to the Public Administrator are investigated and a decision to accept or decline the case is made within 15 business days. Each estate investigation begins immediately upon notification. The procedure involves extensive investigation of assets, locating family members or beneficiaries, locating trusts or wills if they exist, and securing assets that may be subject to misappropriation. In FY 2015-16, 30 estate referrals were investigated. In 21 of those estate investigations, either an heir or other responsible person was located to administer the estate, or it was determined that there were no estate assets to administer. The remaining 9 estates were accepted for administration by the Public Administrator pursuant to California Probate Code. In FY 2015-16, all 30 estate referrals were investigated and determined within the 15 business day policy.

MISSION STATEMENT

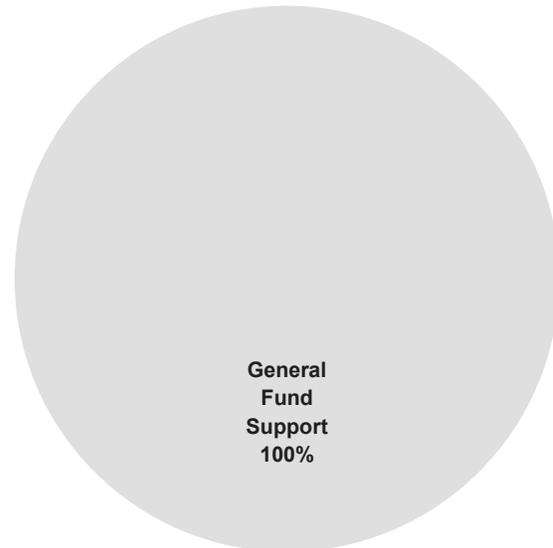
The San Luis Obispo County Board of Supervisors is the legislative arm of the County government, and is committed to the implementation of policies and the provision of services that enhance the economic, environmental and social quality of life in San Luis Obispo County.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Salary and Benefits	\$ 1,450,004	\$ 1,426,263	\$ 1,560,206	\$ 1,560,206	\$ 1,560,206
Services and Supplies	200,486	199,725	209,740	217,540	217,540
**Gross Expenditures	\$ 1,650,490	\$ 1,625,988	\$ 1,769,946	\$ 1,777,746	\$ 1,777,746
Less Intrafund Transfers	46,905	38,806	38,974	38,974	38,974
**Net Expenditures	\$ 1,603,585	\$ 1,587,182	\$ 1,730,972	\$ 1,738,772	\$ 1,738,772
General Fund Support (G.F.S.)	<u>\$ 1,603,585</u>	<u>\$ 1,587,182</u>	<u>\$ 1,730,972</u>	<u>\$ 1,738,772</u>	<u>\$ 1,738,772</u>

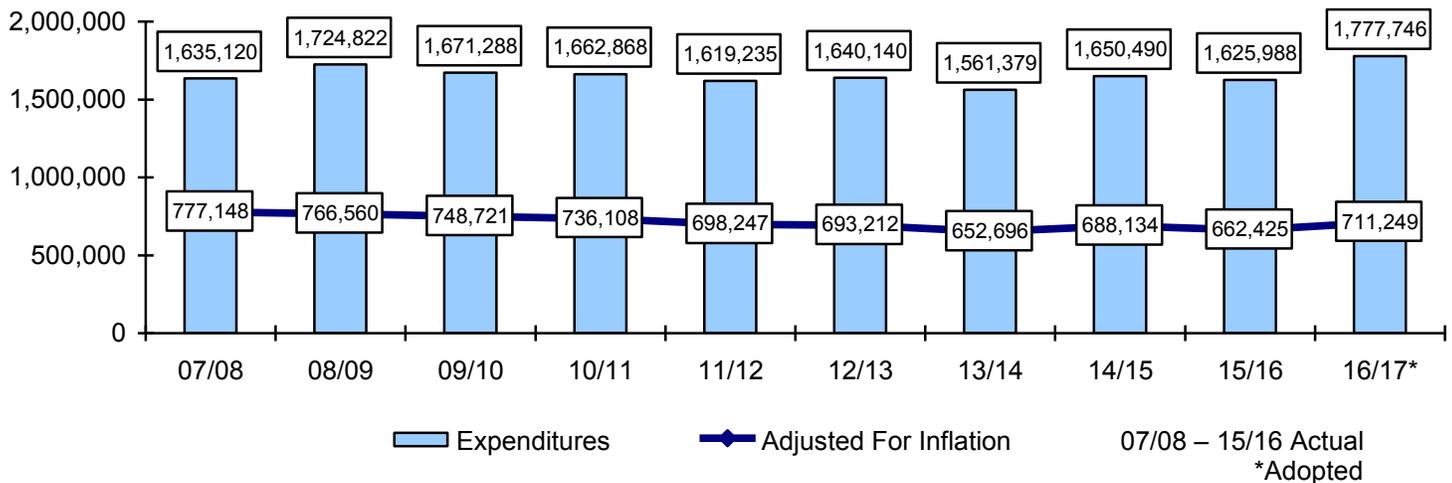
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Board of Supervisors has a total expenditure level of \$1,777,746 and a total staffing level of 13.00 FTE to provide the following services:

Annual County Audits

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

Total Expenditures: \$125,000 Total Staffing (FTE): 0.00

Service to Public

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

Total Expenditures: \$1,652,746 Total Staffing (FTE): 13.00

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

General Fund support is recommended to increase by \$51,327 or 3% compared to FY 2015-16 adopted levels. Salaries and benefits are increasing \$37,487 or 2% compared to FY 2015-16 adopted levels. The increase in these accounts is attributed to wage and benefit increases approved for FY 2015-16. There is an overall increase of \$14,008 or 6% in services and supplies compared to FY 2015-16 adopted levels. The majority of this increase is attributed to increases in significant value purchase as the purchase of a color copier and replacement computers for Districts 1, 3 and 5 are budgeted for FY 2016-17.

Service Level Impacts

There are no service level impacts as a result of the recommended level of General Fund support for FY 2016-17.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for the department includes no changes compared to the FY 2015-16 adopted PAL.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

GOALS AND PERFORMANCE MEASURES

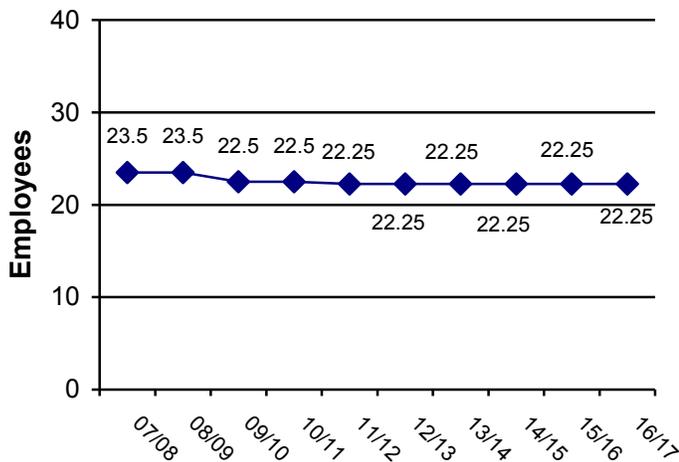
Department Goal: To enhance the public's trust in county government by measurably demonstrating that we provide efficient, high quality, results oriented services.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of citizens that rate the overall quality of services the County provides as "good" to "excellent".						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
Triennial Survey	Triennial Survey	69%	Triennial Survey	Triennial Survey	Triennial Survey	72%
<p>What: Measures citizen satisfaction with County services using data from the ACTION for Healthy Communities telephone survey now conducted every three years. Concurrently, the County conducts a Citizen's Opinion Survey that builds on the data provided in the ACTION for Healthy Communities survey. Both surveys include specific questions designed to solicit information from the public relative to whether they received satisfactory service from County employees.</p> <p>Why: It is the County's desire to provide services to our residents that are in line with their expectations. Based on the data gathered from these two surveys, County departments will develop and implement action plans designed to improve the quality of services delivered to the public and we will continue to measure our progress in meeting this goal over time.</p> <p>How are we doing? The 2013 ACTION telephone survey asked 1,102 randomly selected adults, "How would you rate the San Luis Obispo County government, including major units such as the Sheriff, Social Services, Planning and Building, Elections Office, Health Department, Assessor, Tax Collector, Roads and the County Board of Supervisors?" "Overall, how would you rate the services provided by San Luis Obispo County government?" 69% of the respondents rated the County as "good" (40%), "very good" (19%) or "excellent" (10%). These results show an increase in those respondents rating County services as "excellent" but demonstrate a slight decline from the 2010 survey in which 72% rated the County as "good" (41%), "very good" (25%) or "excellent" (6%). The 2013 ACTION survey was presented to the Board on December 3, 2013. The survey results are posted on the County's website: http://www.slocounty.ca.gov. The next ACTION telephone survey is planned for the fall of FY 2016-17.</p>						
2. Performance Measure: Percentage of citizens that indicate their overall impression of County employees (based on their most recent contact) is good or excellent.						
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
Survey on hold	Survey on hold	Survey on hold	Survey on hold	Survey on hold	Survey on hold	Survey on hold
<p>What: The County initiated a Citizen's Opinion Survey that will be conducted every three years to build on the data provided in the ACTION for Healthy Communities survey. The survey tool includes specific questions designed to solicit information from the public relative to whether they received satisfactory service from County employees.</p> <p>Why: The information gained from this survey will be used to help us improve customer service to the public. Based on the data gathered from the Citizen's Opinion Survey, County departments will develop and implement action plans designed to improve the quality of services delivered to the public and we will continue to measure our progress in meeting this goal over time.</p> <p>How are we doing? During the financial downturn, the Citizen's Opinion Survey was put on hold as a cost savings measure. The most recent survey was conducted in the Winter of 2007. That survey asked respondents if they had contact with County employees in the past 12 months, and if so, to rate their overall impression of that contact in terms of knowledge, responsiveness and courtesy of County staff. 57% of the respondents had contact in that past year, and of those, 75% rated their overall impression of their contacts with County employees as "good" or "excellent". The next Citizen's Opinion Survey is scheduled for 2016.</p>						

MISSION STATEMENT

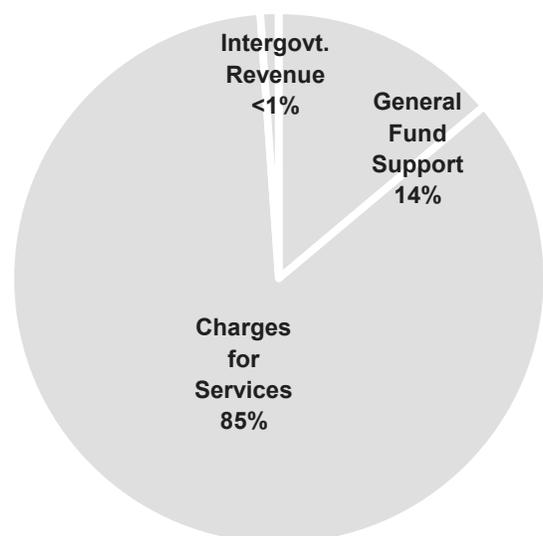
In pursuit of a well-governed community, the County Clerk-Recorder will ensure the integrity of the election process and the records maintained by the office and provide access to these public records, by complying with all applicable laws, employing technology to its fullest and wisely spending the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

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Intergovernmental Revenue	\$ 15,217	\$ 12,739	\$ 13,000	\$ 13,000	\$ 13,000
Charges for Current Services	2,488,621	2,673,728	2,739,144	2,839,144	2,839,144
Other Revenues	3,432	3,272	0	0	0
Interfund	4,420	64,135	0	0	0
**Total Revenue	\$ 2,511,690	\$ 2,753,874	\$ 2,752,144	\$ 2,852,144	\$ 2,852,144
Salary and Benefits	2,034,373	2,106,220	2,154,592	2,154,592	2,154,592
Services and Supplies	897,919	1,094,903	1,029,461	1,132,961	1,132,961
Fixed Assets	0	360,466	19,000	19,000	19,000
**Gross Expenditures	\$ 2,932,292	\$ 3,561,589	\$ 3,203,053	\$ 3,306,553	\$ 3,306,553
Less Intrafund Transfers	0	1,200	0	0	0
**Net Expenditures	\$ 2,932,292	\$ 3,560,389	\$ 3,203,053	\$ 3,306,553	\$ 3,306,553
General Fund Support (G.F.S.)	<u>\$ 420,602</u>	<u>\$ 806,515</u>	<u>\$ 450,909</u>	<u>\$ 454,409</u>	<u>\$ 454,409</u>

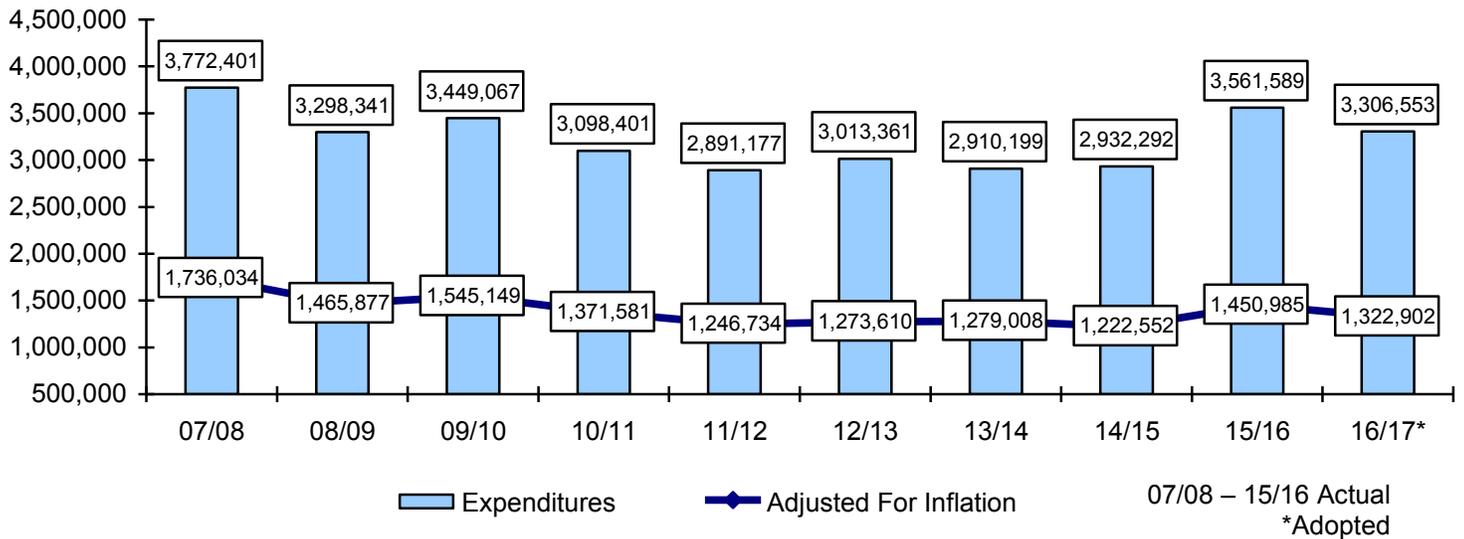
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Clerk-Recorder has a total expenditure level of \$3,306,553 and a total staffing level of 22.25 FTE to provide the following services:

Administration

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

Total Expenditures: \$1,666,080 Total Staffing (FTE): 14.52

Elections

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

Total Expenditures: \$922,789 Total Staffing (FTE): 3.38

Recorder's Restricted Revenues (Special Projects)

Collect and utilize restricted funds to pursue the modernization of delivery systems for official and vital records. These funds are used for many purposes including deployment of technology to streamline the recording process, ensuring retention of historical records through preservation efforts, converting official and vital records to images to increase public access and expanding services to customers by funding the North County satellite office.

Total Expenditures: \$717,684 Total Staffing (FTE): 4.35

DEPARTMENT COMMENTS

The County Clerk-Recorder provides a variety of services including: preserving property and vital records, issuing marriage licenses and fictitious business names, performing civil marriage ceremonies, maintaining Board of Supervisors records and registrations of eligible voters, and conducting elections. The department's focus is to ensure the integrity of these records and processes as well as improve access for all residents of the county while performing our duties within the legislated mandates and deadlines.

The Clerk-Recorder has been faced with the need to replace aging technology to streamline mandated duties and increase public access to records. During the past year, the Clerk-Recorder procured a replacement recording and cashiering system by request for proposal (RFP) and began implementation of the new system, converting the images and index information from the previous system used over the past 15 years. This was a major undertaking by the department since the recording system is at the heart of the day-to-day operations of the office. Once the system is installed and fully utilized, the department will be implementing electronic recording technology which will modernize the recording process with title companies and banks. The system is funded with Recorder's restricted revenues.

A new ballot counting system will be slated next. Replacement costs will be funded outside of the General Fund with Help America Vote Act and Voter Modernization Bond funds, although the procurement and implementation of a new voting system will require a significant amount of dedicated staff time while still completing the department's daily duties. However, the combination of emerging voting systems to improve the voting experience and legislative proposals to alter election laws has resulted in a fluid environment which may significantly change the way elections are conducted in the future. This has compelled the Clerk-Recorder to take a "wait and see" approach. It is feasible that a new election system will be implemented in San Luis Obispo County in 2018.

The Presidential General Election will be a challenging election. With the media covering campaign efforts since late 2014, the stakes are high and it is expected that voter activity will be at an all-time high. VoteCal, the statewide voter registration database mandated by the Help America Vote Act (HAVA), will be fully implemented during this election, and it is anticipated that it will require a revamp of many voter registration procedures on a local level.

Following are some of the department's notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- Replaced the existing Recording and Cashiering System and implementing the selected system. The system went live in February 2016.
- Implemented VoteCal, the statewide voter registration database, in November 2015. San Luis Obispo County was among the first counties to go live in the state.
- Conducted the various activities related to elections for the funding and formation of the Paso Robles Basin Water District.
- Completed second round of historical book restoration: 60 land and vital record books, many of which were in fragile condition, over 100 years old, were restored.
- A 100% passing rate was achieved by 14 employees who completed the test to attain the status of Certified Document Examiner by the County Records Association of California.
- All five management and supervisory staff

FY 2016-17 Objectives

- Successfully conduct the Presidential General Election in November 2016, meeting all deadlines.
- Implement additional functionality of Democracy Live (an online ballot access system) with audio sample ballots and voter information guides for voters with disabilities, funded by a Federal HAVA grant.
- Install electronic recording technology to record and process official records, resulting in a more expedient, efficient, and convenient process for customers.
- Replace historical Board of Supervisors index to provide greater search capabilities and expand access to other departments and the public. This will remove the remaining Clerk-Recorder legacy system from the mainframe.
- Replace the voting system used since 2000 with an upgraded system that takes advantage of

members attending courses of the Learning and Development Center’s Leadership Development Program.

current technology yet still maintains the integrity of the voting experience expected by San Luis Obispo County voters.

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

Financial Summary

The County Clerk-Recorder consists of three divisions including General Administration, Recording, and Elections. Revenue in the Elections division fluctuates with the election cycle as additional revenue is realized from jurisdictions that consolidate their elections with general elections, and therefore, pay for their cost of the election, thus covering a portion of election expenses. General elections are held in even-numbered years. During even-numbered years, election revenue increases and the department requires less General Fund support. However, in odd-number years, election revenue decreases and the department requires increased General Fund support.

FY 2016-17 is an even-number year and as a result, the level of General Fund support is recommended to decrease by \$353,964 or 43% when compared to FY 2015-16 adopted levels. As noted above, the decrease in General Fund support is due to the cyclical nature of election revenue and expenditures. Revenue is anticipated to increase by \$467,096 or 19% due to the \$435,000 or 870% increase in election revenue due to other jurisdictions consolidating their elections with the 2016 Presidential General Election. Recording revenue is increasing slightly, \$20,000 or 1%, compared to FY 2015-16 adopted amounts.

Overall, expenditures are increasing by \$113,132 or 3% when compared to FY 2015-16 adopted amounts. Salaries and benefits are increasing by \$62,198 or 2% from FY 2015-16 adopted levels primarily due to wage and benefit increases approved for FY 2015-16 and an increase in temporary help costs associated with the minimum wage increase effective January 1, 2016. Temporary help is used during elections. Services and supplies are increasing by \$37,034, or 3% again due to the cyclical nature of election expenditures. A large format scanner/printer at the cost of \$19,000 is also recommended for funding. It will replace a large format scanner/printer that is past its useful life.

Service Level Impacts

There are no service level impacts as a result of the recommended level of General Fund support for FY 2016-17.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for the department includes no changes compared to the FY 2015-16 adopted PAL.

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

Unit Amount	Description	Results
Gross Annual Cost: \$100,000 for FY 2016-17	Restoration and preservation of historical record books and indices. The book restoration project started in FY 2014-15. FY 2016-17 is year 3 of the five year project.	<ol style="list-style-type: none"> 1. Provide the public and researchers with enhanced images making the records easier to read and enhancing the searching of these records; 2. Restore and preserve the historical records of the County for posterity;
Total Cost of Project: \$300,000 (\$100,000 for the next three (3) fiscal years).		

<p>Funding Source: Recorder's Fees Micrographics</p> <p>Restrict Revenues</p>		<p>3. An average of 60 books per year for the next three (3) fiscal years will be restored. Over the last three (3) phases of the project approximately 181 historical record books and indices will be restored and preserved.</p>
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GOALS AND PERFORMANCE MEASURES

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

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
99%	99%	99.5%	99.5%	100%	98%	100%

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

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

How are we doing? Recording levels for FY 2015-16 increased by 4% (2,563 documents) compared to FY 2014-15 levels. The department has implemented a new recording/cashiering system. The new system had a small effect on the timeliness of recording mail as staff becomes comfortable with the new system. The department currently has a vacant position in the section that processes official records by mail. That vacancy, combined with demands on staff time required in conducting the June Presidential Primary and increased recording levels have resulted in not meeting the stated goal for this fiscal year. The vacant position is currently in the process of being filled and, with our ongoing focus on additional training for staff, we continue to strive towards achieving our target of 100% in FY 2016-17, even as recording levels increase. No comparable county data is available.

Department Goal: To provide easily accessible self-help options for services when possible.

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

2. Performance Measure: Number of citizens who completed transactions with the County Clerk-Recorder without the need to contact the office directly or be physically present in the office.

	11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
<p>Online Voter Registration: Percentage of total voter registrations completed online per year.</p>	<p>New Measure</p>	<p>26% (11,614)</p>	<p>16% (3,015)</p>	<p>22% (6,609)</p>	<p>30% (9,900)</p>	<p>53% (33,087)</p>	<p>30% (18,800)</p>
<p>Certified Vital Records Requests without physical appearance: Percentage of total vital requests completed with a credit card through fax per year.</p>	<p>New Measure</p>	<p>13% (1,403)</p>	<p>16% (1,902)</p>	<p>14% (1,529)</p>	<p>15% (1,600)</p>	<p>21% (2,200)</p>	<p>15% (1,600)</p>

Online Polling Place Look-Up: Number of visits to the online polling place look-up per election.	New Measure	9,317	2,877	3,052	4,000	7,245	7,000
Online Voter Registration Status Look-Up: Number of visits to the online voter registration status look-up per election.	New Measure	10,004	1,469	2,322	5,500	8,793	8,000

What: These measures track the use of Clerk-Recorder services available remotely.

Why: When customers can complete transactions and obtain information online without contacting the office via telephone or in person, the customer benefits in convenience as well as time and cost savings. Tracking this measurement will help identify the benefits to our customers as well as allow better allocation of staff and the need for temporary election employees during the busiest times of the year.

How are we doing?

Online Voter Registration: On September 19, 2012, the Secretary of State went live with online voter registrations. This allows voters immediate access to register to vote and result in an 80% decrease of staff time per online registration, a savings of approximately 410 hours of staff time per year. FY 2012-13 results reflect only nine months of availability. FY 2015-16 actual amounts exceeded targeted amounts by 23,187 registrations due to voter interest reaching historic heights during a the highly profiled presidential candidate nomination process. The majority of online registrations were received in the 4th quarter (18,782 which is 57% of online registrations for the year) and a large percentage of those were previously registered voters changing their party affiliation in preparation for the June election. In the current fiscal year, 30% is equivalent to 18,800 online registrations per year; however, the actual number of registrations will fluctuate dependent on the registration activity of each election. No comparable county data is available.

Vital Records Requests without office appearance: For the past several years, customers have been able to request a vital record copy by faxing an application for the record; however, the only method for payment incurred a \$7.00 service charge for the customer. While this allowed customers to receive a copy of a vital record in a 24-48 hour turnaround, it was an expensive option for customers. In April 2011, the Clerk-Recorder implemented a credit card payment processing system which decreased the convenience fee for the customers to \$1.49 (nearly an 80% decrease from the previous fee) and consequently, customers are taking advantage of this service more frequently. An additional benefit of accepting more credit card payments for this service is the reduced potential for checks refused due to insufficient funds. The FY 2015-16 actual results reflect increased usage, possibly due to the increased economic health across the nation, allowing for more activities that may require certified vital records copies to be sent out of county. In the current fiscal year, 15% is equivalent to 1,600 requests annually. No comparable county data is available.

Online Polling Place & Voter Registration Status Look Up: The addition of online polling place and voter registration status look up has been a helpful tool for both our staff and the voters. Voters now have the ability to look up their registration status and their polling place without having to call the office during the highest call volume periods and can find the information at their convenience. Reducing calls during election time reduces the need to hire temporary staff to answer phones and saves the cost of activating additional phone lines. The FY 2015-16 actual results reflects the increased voter interest in Presidential Primary elections. The FY 2016-17 target reflects the even higher voter interest in the Presidential General elections. No comparable county data is available.

FY 2012-13 Results: November 2012 General Presidential Election
 FY 2013-14 Results: June 2014 Primary Election
 FY 2014-15 Results: November 2014 General Election
 FY 2015-16 Results: June 2016 Presidential Primary Election
 FY 2016-17 Target: November 2016 Presidential General Election

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

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
\$2.22	\$1.93	\$1.63	\$1.23	\$2.15	\$1.33	\$2.00

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

Why: Vote-by-mail ballots have traditionally been very labor intensive to administer and process. Currently, approximately 57% (89,905) of San Luis Obispo County voters choose to permanently vote by mail. Tracking the costs of issuing vote-by-mail ballots allows the department to plan for the budgetary impacts of these ballots accordingly and contributes to efforts of automating and streamlining the process to increase efficiency and keep costs down.

How are we doing? The deployment of technology has had a profound impact on this labor intensive process. Since San Luis Obispo County began implementing technology and introduced efficiencies for the issuance of vote-by-mail ballots, per ballot costs have been reduced from \$4.11 per voter in 1998 to the current \$1.33 per vote-by-mail voter. The FY 2015-16 actual results reflect an increase in vote by mail costs for the party specific ballots necessary for a Presidential Primary Election, as well as costs from Senate Bill 29 which will allow ballots postmarked before or on election day to be counted if the ballots are received by the registrar of voters within three days after the election. The FY 2016-17 target reflects the lower cost of non party-specific ballots, as well as the higher voter turnout expected, which increases labor costs. There are no comparable county data at this time.

FY 2011-12 Results: June 2012 Presidential Primary Election
 FY 2012-13 Results: November 2012 General Presidential Election
 FY 2013-14 Results: June 2014 Primary Election
 FY 2014-15 Results: November 2014 General Election
 FY 2015-16 Results: June 2016 Presidential Primary Election
 FY 2016-17 Target: November 2016 Presidential General Election

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
\$3.77	\$4.79	\$3.90	\$4.20	\$3.80	\$3.95	\$4.50

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

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

How are we doing? The department continues to maintain its commitment to providing the best election experience in the most cost effective manner. The FY 2015-16 actual results reflect a higher than anticipated voter turnout than what would typically be expected during a Primary Election, as well as the increased ballot printing costs necessary for party specific ballots necessary for the Federal races. The FY 2016-17 target reflects the increased voter turnout expected for a Presidential General election, which translates to increased labor costs. No comparable county data is available at this time.

FY 2011-12 Results: June 2012 Presidential Primary Election
 FY 2012-13 Results: November 2012 General Presidential Election
 FY 2013-14 Results: June 2014 Primary Election
 FY 2014-15 Results: November 2014 General Election
 FY 2015-16 Results: June 2016 Presidential Primary Election
 FY 2016-17 Target: November 2016 Presidential General Election

5. Performance Measure: Voter Participation Rate.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
48.59%	80%	41.46%	58.42%	60%	61%	75%

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

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

How are we doing? Many factors impact voter turnout. Turnout is always highest in a Presidential General Election and lowest in a Gubernatorial Primary Election and special elections. Voter file maintenance is critical to ensure that election files are current and up-to-date, thereby giving a more accurate picture of voter turnout. The Clerk-Recorder is committed to encouraging voter participation and educating the public on deadlines for voter registration and the process to obtain a vote-by-mail ballot for each election. The department's commitment to mail voter information pamphlets/vote-by-mail applications at the earliest possible date, and the posting of information and polling place lookup on the internet, assists voters in being informed and contributes to the county's high rates of voter turnout. The office has also made an effort to utilize social media, such as Facebook and Twitter, to notify citizens of upcoming deadlines and other voter information. These efforts to encourage voter turnout are reflected in the county's voter turnout, which was 14% higher when compared to the statewide voter turnout of 47% for the Presidential Primary election. It will be hard to predict exactly how the new Motor Voter Law (AB1461), which involves increased opportunity for citizens to register to vote when conducting business with the DMV, will affect voter turnout. An increased number of registered voters who do not intend to vote may have an impact on turnout. Presidential General elections typically have the largest turnout and is reflected in the FY 2016-17 target amount of 75% (116,853 ballots cast).

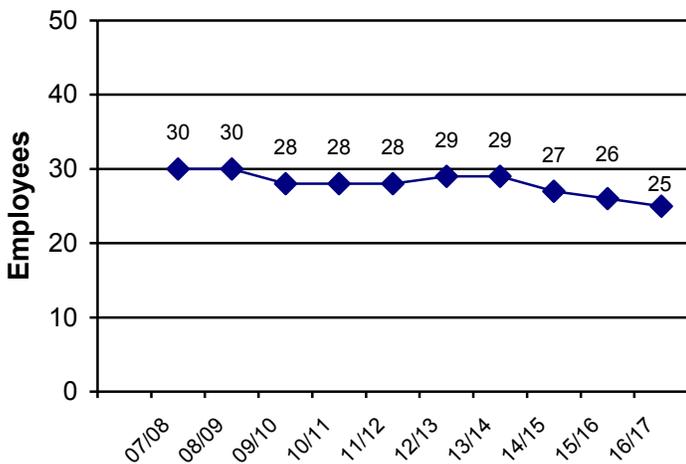
FY 2011-12 Results: June 2012 Presidential Primary Election
FY 2012-13 Results: November 2012 General Presidential Election
FY 2013-14 Results: June 2014 Primary Election
FY 2014-15 Results: November 2014 General Election
FY 2015-16 Results: June 2016 Presidential Primary Election
FY 2016-17 Target: November 2016 Presidential General Election

MISSION STATEMENT

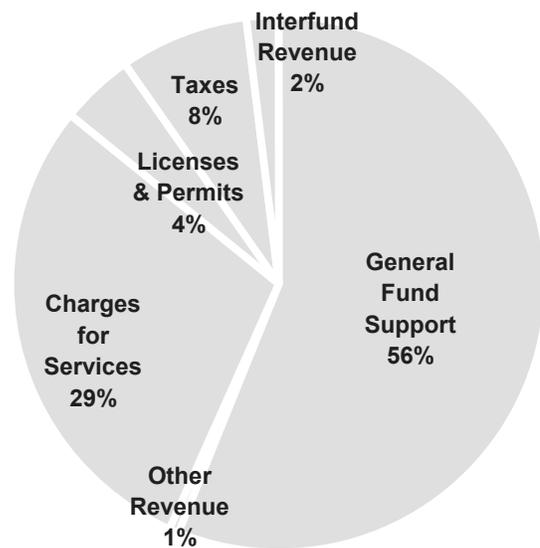
The Auditor-Controller-Treasurer-Tax Collector Office-Public Administrator ensures the public's trust by serving as the guardian of assets and funds administered for the County, cities, schools, and special districts and by being an independent source of financial information and analysis for the public, local governmental agencies, County departments, and all other stakeholders.

	2014-15	2015-16	2016-17	2016-17	2016-17
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Taxes	\$ 223,177	\$ 212,061	\$ 223,765	\$ 223,765	\$ 223,765
Licenses and Permits	128,257	116,357	109,283	109,283	109,283
Charges for Current Services	818,987	839,521	862,894	862,894	862,894
Other Revenues	24,750	28,343	26,775	26,775	26,775
Interfund	37,874	67,867	0	0	0
**Total Revenue	\$ 1,233,045	\$ 1,264,149	\$ 1,222,717	\$ 1,222,717	\$ 1,222,717
Salary and Benefits	2,463,552	2,463,066	2,574,147	2,574,147	2,574,147
Services and Supplies	420,789	341,963	338,076	338,076	338,076
Other Charges	26,653	0	0	0	0
**Gross Expenditures	\$ 2,910,994	\$ 2,805,029	\$ 2,912,223	\$ 2,912,223	\$ 2,912,223
Less Intrafund Transfers	1,283	6,076	0	0	0
**Net Expenditures	\$ 2,909,711	\$ 2,798,953	\$ 2,912,223	\$ 2,912,223	\$ 2,912,223
General Fund Support (G.F.S.)	<u>\$ 1,676,666</u>	<u>\$ 1,534,804</u>	<u>\$ 1,689,506</u>	<u>\$ 1,689,506</u>	<u>\$ 1,689,506</u>

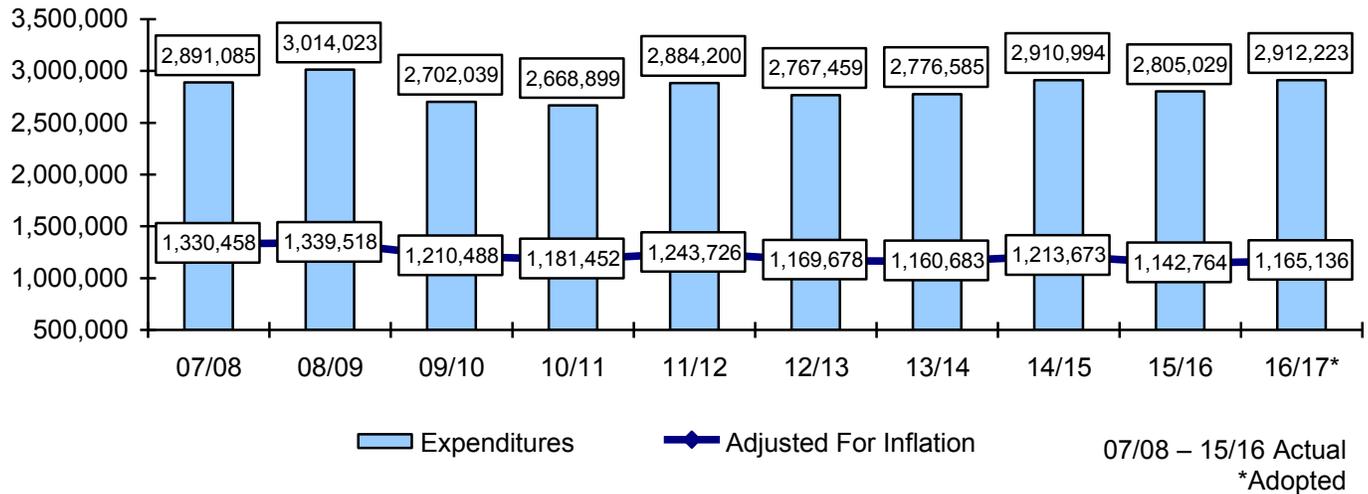
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

The Treasurer, Tax Collector, Public Administrator has a total expenditure level of \$2,912,223 and a total staffing level of 25.00 FTE to provide the following services:

Local Mandated Collections

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

Total Expenditures: \$204,383 Total Staffing (FTE): 2.07

Public Administrator – See Fund Center 107-Auditor-Controller for FY 2016-17

Administer the estates of deceased county residents when there is no one willing or qualified to act as executor or administrator of the estate and to ensure compliance with legal mandates. Services include coordinating property sale or other disposition, researching and notifying beneficiaries, processing court documentation, income tax returns and wills, and ensuring payments to creditors. The main revenue and expense accounts for the Public Administrator are in Fund Center 107, but some support items exist in Fund Center 108.

Total Expenditures: \$41,536 Total Staffing (FTE): 0.27

Secured Collections

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

Total Expenditures: \$1,345,798 Total Staffing (FTE): 10.70

Supplemental Collections

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

Total Expenditures: \$403,616 Total Staffing (FTE): 3.86

Treasury

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

Total Expenditures: \$563,341 Total Staffing (FTE): 4.75

Unsecured Collections

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

Total Expenditures: \$353,549 Total Staffing (FTE): 3.35

DEPARTMENT COMMENTS

The office of the Treasurer-Tax Collector-Public Administrator was consolidated with the office of the Auditor-Controller on August 12, 2013. The combined office continues to work to develop efficiencies and improvements, with a common goal of providing cost effective, quality service to the community.

Over the last twenty years, the department has handled 20% more workload, provided dramatically increased services to county taxpayers, added a variety of online systems, and improved response times. The department was the first in the State to offer paperless electronic tax bills. The department's systems give the public the ability to access tax information and payment records electronically, pay taxes online, and receive electronic tax bills and email reminders, as well as tools to manage multiple properties. Again during FY 2015-16, numerous improvements to processes were developed, with most of the ideas coming directly from staff. The improvements enabled the department to reduce staff by another 1.50 positions by attrition while also increasing workload. All of the above has been accomplished using fewer employees than the department had twenty years ago.

For FY 2016-17, the department expects to implement a new public service customer feedback system so when the public visits the department they may more easily rate the services they receive. The resulting data can then be used to make further improvements. The department plans to redesign its web site and make it friendlier for mobile devices. Finally, the department continues to develop a system which will allow taxpayers with prior year unpaid taxes to enroll in monthly payment plans, rather than require large annual payments as with current systems. The above is being accomplished with internal staff only and no external consultants.

Following are some of the department's notable accomplishments for FY 2015-16 and some specific objectives for FY 2016-17:

FY 2015-16 Accomplishments

- After a comprehensive study of tax bills in all 58 counties, the office redesigned property tax bills. The new bills include numbered sections for easy reference, emphasizes due dates rather than delinquency dates in an effort to reduce late penalties, and include use of color to improve readability. By using more modern technology and outsourcing the printing, the new bills were produced at 1/3 less cost than the old bills, saving \$16,000.
- Reduced costs and eliminated 1.50 FTE positions, saving \$104,000, as a result of operating efficiencies gained through new technology and software, specifically new point-of-sale and tax processing software developed internally to allow

FY 2016-17 Objectives

- Obtain Board of Supervisors approval to develop and implement a system to allow taxpayers who have prior year unpaid property taxes to enroll in monthly payment plans. Currently only restrictive annual payment plans are available. Taxpayers will benefit by having a much lower threshold to begin a payment plan, and having lower monthly payments rather than large annual ones.
- Continue the implementation and testing of the new Property Tax System.
- Redesign the department's web site based on both public and private sector best practices. The goal is to increase information available on the site, as well as make it more user friendly.

- Faster payment processing for taxpayers at the public counter, including receipts by email. The new system enables posting payments on the same day as received, and automates formerly manual processes.
- Completed and implemented a major re-write and modernization of the County Business License Ordinance. Continued to promote paperless billing and electronic payment programs, which increased the total number of tax payments paid electronically by 4% in the first six (6) months of the fiscal year, and increased the number of paperless tax bills by 30%.
- Completed the migration of the Property Tax system off the mainframe to a modern technology platform.
- Develop a new system to more easily gather public feedback so that service levels can be better measured.
- Continue to increase paperless billing and electronic payments and processing, by using billing inserts, press releases, and general taxpayer correspondence. For FY 2016-17, the department expects to process over 280,000 payments, with 100,000 of those being electronic.
- Expand cross-training with the County Assessor's office so the two offices can work together to provide better service to the public.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Financial Summary

The General Fund support for the Treasurer-Tax Collector-Public Administrator is increasing \$62,894 or 3% when compared to FY 2015-16 adopted amounts. Revenue is recommended to decrease by \$32,056 or 2% primarily due to the elimination of the Limited Term Financial Analyst I/II/III position used to backfill for staff working on the Property Tax System upgrade project. The position was funded with revenue from Fund Center 266 – Countywide Automation. The system is anticipated to go-live in FY 2015-16 and as a result, the position is no longer needed.

Overall, expenditures are increasing minimally, \$30,838 or 1%, from FY 2015-16 adopted levels. Salary and benefits are recommended to increase slightly when compared to FY 2015-16 amounts. The increase of \$24,723 is a combination of wage and benefit increases approved for FY 2015-16 and the elimination of the limited term position noted above. Additionally, a vacant Administrative Assistant position is being eliminated and replaced with a Senior Account Clerk position. This change is cost neutral as salaries for these positions are equivalent. Services and supplies are increasing by \$6,115 or 1% compared to FY 2015-16 adopted levels.

Service Level Impacts

There are no service level impacts as a result of the recommended level of General Fund support for FY 2016-17.

Position Allocation List (PAL) Changes

The FY 2016-17 recommended PAL for the department includes a net decrease of 1.00 FTE compared to the FY 2015-16 adopted PAL.

FY 2016-17 Recommended PAL Changes

- - 1.00 FTE Limited Term Financial Analyst I/II/III
- - 1.00 FTE Administrative Assistant
- + 1.00 Senior Account Clerk

BOARD ADOPTED CHANGES

None.

BUDGET AUGMENTATION REQUESTS ADOPTED

None requested.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Provide helpful, courteous, responsive service to County departments and the public while accommodating all reasonable requests.</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: Percentage of customer satisfaction surveys which rate department performance as “excellent” or “good.”</p>							
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target	
100%	100%	100%	100%	100%	100%	100%	
<p>What: This measure tracks the satisfaction survey results collected from customers who are served in person, through the mail, or over the Internet.</p> <p>Why: Customer satisfaction levels are measured and tracked to identify areas in which the department can improve its level of service to the public.</p> <p>How are we doing? In FY 2015-16, the department received 19 completed customer satisfaction surveys available from the public service counter. All 19 survey responses, or 100%, rated the service as “excellent” or “good.” The department continues to fine-tune the services provided to the public by enhancing the Tax Collector’s website and the “Taxes on the Web” system to increase the percentage of department services available 24/7. The Property Tax Management System allows taxpayers the ability to manage all of their assessments in one transaction and to “go green” by using paperless billing. Staff continually cross-train to enhance their knowledge and skills, which increases the level of service available to the public. The projected result for FY 2016-17 remains that 100% of customer satisfaction surveys will indicate that the department’s performance is “excellent” or “good.” In FY 2015-16, the number of comment cards received by the department declined significantly over last year. The department is currently exploring other methods of measuring customer service, and revising this measure for FY 2017-18.</p>							
<p>Department Goal: Manage County funds on deposit in the County Treasury to meet three goals, in order of priority: 1) ensure the safety of principal, 2) provide liquidity to meet the funding needs of participants, and 3) earn an appropriate and competitive yield.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input checked="" type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>							
<p>2. Performance Measure: Percentage of time in which the net yield of San Luis Obispo County Treasury investments falls within 0.5% of the yield earned by the State of California Local Agency Investment Fund (LAIF).</p>							
11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target	
100%	100%	100%	100%	100%	100%	100%	
<p>What: The investment yield (return on investments minus all administrative and banking costs) of the County Treasury Pool is compared to the yield of the State of California investment fund, LAIF. The LAIF is utilized as a standard benchmark for investment yield by most California counties as an indicator that investment portfolios are following the market. The LAIF has a fund balance of over \$60 billion, or about 100 times the size of the County Treasury investment pool. Further, the LAIF is a pure investment fund, whereas the County Treasury’s investment pool must also act as an operating fund, covering the daily operating liquidity needs of participating County departments and agencies. This performance measure is based on achieving a relative net yield within 0.5% of the LAIF.</p> <p>Why: Net investment yield is the third priority for the County Treasury investment pool, after safety and liquidity. Achieving this standard means the County is effectively maximizing its income from investments.</p> <p>How are we doing? The County Treasury net yield was within the targeted variance of 0.5% compared to the LAIF net yield in FY 2015-16. The County Treasury continues to explore ways to reduce costs and aggressively search for options to obtain better yields without jeopardizing safety and liquidity.</p>							

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
"AAA/V1"	"AAA/V1"	"AAA/V1"	"AAA/V1"	"AAA/V1"	"AAA/V1"	"AAA/V1"

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

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

How are we doing? Fitch has assigned their highest rating to the County Pool since FY 1994-95. The investment pool's "AAA" rating "reflects the fund's vulnerability to losses as a result of defaults based on the actual and prospective average credit quality of the fund's invested portfolio." The pool's "V1" volatility rating "reflects low market risk and a capacity to return stable principal value to meet anticipated cash flow requirements, even in adverse interest rate environments." Most recently, on January 12, 2016, Fitch reaffirmed the County Pool's "AAA/V1" rating.

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

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

4. Performance Measure: Percentage of time that "no findings" is the result of the quarterly cash procedures audit, the annual County Treasury audit, and the annual investment policy compliance audit ordered by the County Treasury Oversight Committee.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
100%	100%	100%	100%	100%	100%	100%

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

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

How are we doing? The above audits have consistently resulted in no findings or recommendations. During FY 2015-16, the quarterly unannounced audits of the Treasury were conducted on September 30, 2015, October 30, 2015, March 14, 2016, and June 30, 2016. All of these audits resulted in no findings or recommendations. The annual audit for FY 2014-15 which was conducted in October 2015, resulted in no findings or recommendations. It is anticipated that the upcoming annual audit and CTOC compliance audit for FY 2015-16 will result in no findings or recommendations.

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

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

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

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
2.2%	1.37%	1.14%	1.08%	1.20%	0.89%	1.20%

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

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

How are we doing? In FY 2014-15, the County had uncollected current secured taxes of \$5,183,970 or 1.08%. The State average for FY 2014-15 was 1.2%. For FY 2015-16, the County had uncollected current secured taxes totaling \$4,704,413.87 or .89%. This is again the lowest level of uncollected taxes in over 20 years. The lower levels of delinquency are attributed to continued improvements in taxpayer communications and the improving economy. It is anticipated that the percentage of taxes uncollected in the County will continue to be lower (better) than the state average in FY 2016-17. The target for FY 2016-17 remains the same: to be better than the statewide average of 1.2%

Department Goal: Continually enhance, improve, and increase usage of online systems, which provide 24/7 access to tax information, options for electronic tax payments, and paperless billing, thereby improving service and providing more environmentally friendly processing.
Communitywide Result Link: Safe Healthy Livable Prosperous Well-Governed Community

6. Performance Measure: Percentage of tax payments made electronically.

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
New	New	32.9%	35.5%	37%	38.5%	38%

What: The Tax Collector's website provides extensive information, and allows for electronic commerce with the community.

Why: Electronic payments are more environmentally friendly, saving taxpayers and the department paper, ink, and mail transportation, as well as processing costs. For this reason, the department intends to continue to improve systems and encourage use of electronic payments over time. The ability to locate information and transact business online 24/7 is an important tool to improve the quality of service to the community. This measure reflects progress in usage of online services to better serve the community.

How are we doing? The public has continually requested that online services be made available and the department has worked to fulfill these requests. Improvements to the designs of the tax bills have made electronic payment options more obvious, contributing to the growth in electronic payments. The department continues to use press releases, billing inserts and individual taxpayer communications to make taxpayers aware of the services available and the options for electronic payments, including free e-checks. Usage of such services, including the use of electronic payments, continues to increase. For FY 2015-16, electronic payments grew from 35.5% to 38.5% of the total. Of the 3% growth, 1.3% came from growth in e-checks, 1.0% from credit cards, .6% from mortgage impound accounts, and 0.1% from home banking.

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

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

7. Performance Measure: Percentage of referrals to the Public Administrator that are completed with an initial investigation report, and a decision to accept or decline, within 15 business days.

(This performance measure is being moved from Fund Center 108 (Treasurer-Tax Collector) to Fund Center 107 (Auditor-Controller) for FY 2016-17.)

11-12 Actual Results	12-13 Actual Results	13-14 Actual Results	14-15 Actual Results	15-16 Adopted	15-16 Actual Results	16-17 Target
80%	100%	100%	100%	100%	*	*

*Funding and oversight of the function of the Public Administrator has been reallocated to Fund Center 107 – Auditor-Controller's Office.