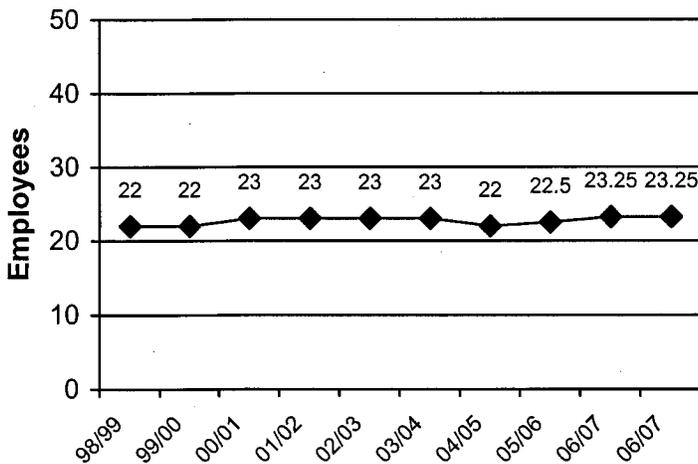


MISSION STATEMENT

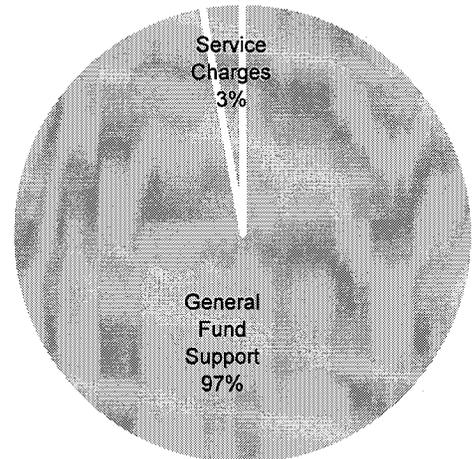
To provide accurate and reliable legal services to County departments, boards, agencies, and special districts in a manner which is cost effective and promotes excellence in delivery of government services to the public.

<u>Financial Summary</u>	<u>2006-07 Budget</u>	<u>2006-07 Projected</u>	<u>2007-08 Requested</u>	<u>2007-08 Recommended</u>	<u>Change From 2006-07</u>
Revenues	\$ 168,785	\$ 191,695	\$ 109,750	\$ 109,750	\$ (59,035)
Salary and Benefits	3,265,015	3,335,747	3,426,498	3,514,449	249,434
Services and Supplies	<u>277,835</u>	<u>644,907</u>	<u>304,816</u>	<u>304,816</u>	<u>26,981</u>
**Gross Expenditures	\$ 3,542,850	\$ 3,980,654	\$ 3,731,314	\$ 3,819,265	\$ 276,415
General Fund Support (G.F.S.)	<u>\$ 3,374,065</u>	<u>\$ 3,788,959</u>	<u>\$ 3,621,564</u>	<u>\$ 3,709,515</u>	<u>\$ 335,450</u>

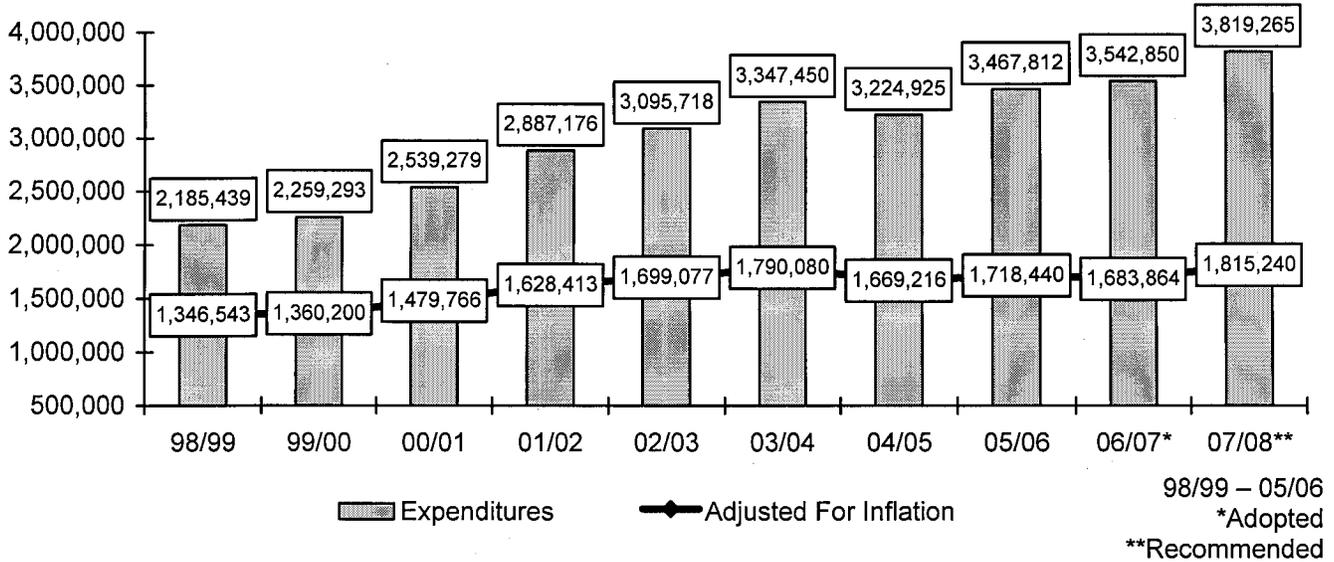
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Litigation

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

Total Expenditures: \$1,314,156 Total Staffing (FTE): 8.0

Legal Advice

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

Total Expenditures: \$2,505,109 Total Staffing (FTE): 15.25

DEPARTMENT COMMENTS

FY 2007-08 Accomplishments

Customer Service:

So far during the 06/07 fiscal year we have obtained favorable judgments or settlements in the following cases: *Santa Margarita Area Residents Together v. County, Save the Park v. County, Building a Better Environment v. County, Nipomo CSD v. County, Pratt v. County, Knollenberg v. County, Cambria CSD v. County, Joshua D. v. County, County v. Aron, Heritage Ranch Owners Association v. County, County v. Andre, County v. Equilon Enterprises LLC, American Serengeti Corp. v. SLO County Assessor, et al. and Valdez v. County.* In addition, the Child Welfare unit will have processed more than 500 dependency petitions, trials and mediations during the 06/07 fiscal year. Transactional work accomplished for our clients included acquisition of property and right-of-way for the Nacimiento Water Project, advice and assistance on the Lopez Water Treatment Project, the Airport Runway Extension Project, assisted in efforts to obtain the legislation adopted by Assemblyman Blakeslee to allow the County to work with Los Osos on their sewer situation, assessment proceedings supporting Zone 1 and

1A of the Flood Control District, various Area Plan updates, as well as numerous General Plan amendments, tract maps and Board of Supervisors items.

Internal Business Process Improvements: The County Counsel continues to automate processes where possible, such as use of the County's newly implemented document management system, as well as participate with the County Counsels' Association and California State Association of Counties (CSAC) – Excess Insurance Authority (EIA) in sharing our common legal resources through state-of-the-art websites, secure e-mail transmissions, brief banks and electronic opinion libraries. County Counsel James B. Lindholm continues to provide leadership to the County Counsels' Association in constantly improving these electronic resources. He also continues to serve on the Association committee which coordinates statewide litigation.

Finance: Through preventative and proactive legal advice, our office strives to save County resources. Also, through effective litigation representation, we not only endeavor to defend Board of Supervisors' and other clients' decision, but also to preserve County assets. The Departmental budget is monitored in order to stay with expenditure limits.

Learning and Growth: In order to maintain their licenses to practice law, our attorneys participate in mandatory continuing legal education. Much of this training is done through our California County Counsels' Association, which sponsors low-cost section conferences in a number of areas of our legal practice. The clerical staff takes advantage of training offered by the County's Employee University, as well as by private organizations.

FY 2007-08 Focus

Our focus for the upcoming fiscal year is to assess current "in-house" expertise and evaluate the need for resources and/or attorney re-assignments to meet the new and changing demands for County Counsel services, including the following projects:

Los Osos Waste Water Project – plan and construct major waste water system.

- a. Protect County's interests in Los Osos bankruptcy case and related litigation.
- b. Assist Project Manager on all phases of project through construction and operation.

Nacimiento Water Project – plan and construct major water project.

- a. Assist in right-of-way acquisition.
- b. Continue to work on all phases of project through construction.
- c. Continue to advise Nacimiento Project Commission on operation of project, after construction is completed.

Child Welfare Services – protection of abused and neglected children.

- a. Monitor increase in workload.
- b. Be able to increase staff if/and when justified by increase in workload.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget reflects an increase in General Fund support of \$335,450, or 9% compared to FY 2006-07 adopted levels. Salaries and benefits are increasing by 7% or \$249,434 due to prevailing wage and pension increases. The 3.25% increase in pension expense increased the department's salaries and benefits accounts by \$90,141. Revenue is decreasing by \$59,035 or 34% from current adopted levels due to the State suspending reimbursements, at this time, for SB90 mandated costs and a reduction in legal services hours billed as County Counsel no longer provides legal services to Integrated Waste Management (IWMA) and the Local Agency Formation Commission (LAFCO). Services and supplies accounts are recommended to increase by 9% or \$26,981 over FY 2006-07. Many of the increases are minimal with the largest increase in the department's professional and special services account due to the increased number of litigations, such as Los Osos Community Services bankruptcy.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide exemplary litigation services, defending decisions and advocating positions of our clients to assist those clients in achieving their objectives.

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

1. Performance Measure: Percentage of claims filed against the County, which are resolved without litigation, within the reserve amount.

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
75%	85%	85%	93%	90%	88%	DELETE

What: Before a damage lawsuit can be filed against the County, a claim against the County is filed and requires some level of investigation or verification. Costs increase rapidly if the claim becomes a lawsuit.

Why: Resolving/settling cases without litigation and within the reserve amount saves the considerable costs of litigation involved in discovery and trial.

How are we doing? Due to a shift in how claims against the County are processed, this performance measure is no longer meaningful to County Counsel and will not be tracked in the future.

2. Performance Measure: Cases litigated where we achieve a positive outcome determined as follows below.

04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
17 Resolved 159 Pending	50 Resolved 164 Pending	170 Pending	34 Resolved 140 Pending	40 Resolved 150 Pending

What: Defend Board of Supervisors legislative and executive decisions. Uphold County officers' decisions. Protect County assets.

Why: To implement governmental decisions and protect County proprietary interests.

How are we doing? At this time, we have 140 lawsuits and administrative proceedings pending and 34 that have been resolved this fiscal year. These figures do not include conservatorships, juvenile cases or mental health petitions. Attachment A is a list of significant litigation cases.

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

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

3. Performance Measure: Proceedings in which legal advice is provided to Child Welfare Services and advocate representation is provided in court to achieve the desired outcomes for each case as determined by Child Welfare Services.

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
412	310	394	497	425	531	550

What: A large number of proceedings are handled annually by CWS to protect the children of our community. County Counsel provides legal representation in all court appearances for Child Welfare Services matters.

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

How are we doing? Based on current figures, proceedings in the 06/07 fiscal year, including contested hearings, mediations and trials that result from those cases, will exceed the 06/07 adopted figure.

4. Performance Measure: Cases involving people who are unable to care for themselves in which County Counsel represents the County to achieve the desired outcomes for each client or case as determined by the Public Guardian, Public Administrator or Department of Behavioral Health.

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
164	150	197	262	200	213	220

What: The conservatorship and mental health cases in which County Counsel is involved that will protect the rights of those members of our community who are unable to make their own decisions or care for themselves. County Counsel provides legal representation in all court appearances for these matters.

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

How are we doing? In 06/07, the method for tracking Habeas Corpus matters has been revised to identify new filings as opposed to the number of people who have Habeas Corpus cases. Based on figures to date, it is projected that approximately 100 Habeas Corpus matters will be handled. The number of ongoing/active conservatorship cases remains consistent at 113. The combination results in a projected total of approximately 213 for the fiscal year.

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

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

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

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
99%	100%	99%	99%	98%	99%	99%

What: Based on interviews with County Department representatives during the yearly attorney evaluation process as well as frequent contact with managers and staff of client departments.

Why: Each of our clients operates under a highly technical set of governing laws and regulations. By helping them understand and meet their legal obligations, we help them serve the community, state and nation.

How are we doing? The projected results of 99% of comments received from clients this year indicate that the advice given them was clear, relevant and timely. The results are based on the number of requests for legal advice received, compared to the number of complaints received during the fiscal year. At this point, it is projected that over 2,800 requests will be submitted in 06/07. During the 07/08 fiscal year, the department will be working with the Administrative Office on survey options for this measure.

6. Performance Measure: Percentage of projects in which the response to requests for legal advice or contract review are completed on a timely basis.

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
99%	98%	95%	96%	90%	95%	95%

What: Review a variety of legal documents, conduct research, and render opinions as requested, within a time period as determined by an initial review of each particular document.

Why: To assist our clients in achieving their objectives as expeditiously as possible.

How are we doing? During the 05/06 fiscal year, there were 2518 requests from departments logged into the tracking system, with over 2400 handled in a timely manner. Some of the requests require more time due to their complexity or necessary research. It is projected that over 2,800 requests will be submitted during the 06/07 fiscal year, and every effort will be made to respond timely. Attachment B is a list of major projects currently being handled.

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

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
99%	95%	99%	99%	98%	99%	98%

What: All contracts and agreements are reviewed and approved prior to being presented at the Board of Supervisors meetings. These contracts and agreements pertain to a variety of issues, including capital projects, services, land use, etc. This office provides continuous legal advice while the contract is being administered, as well. All land use planning issues before the Board are reviewed by this office and advice is provided on all such items.

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

How are we doing? The 06/07 projected results are based on 5 projected lawsuits involving the County that result from contracted projects and/or Board of Supervisors agenda items. There are historically over 1,100 Board agenda items and/or contracted projects during a fiscal year.

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

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

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

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
.83%	.77%	.79%	.83%	.78%	.77%	.78%

What: This measure shows the relationship of County Counsel expenses to the County's budget by dividing the County Counsel net county cost by the County's total budget.

Why: County Counsel strives to keep costs as low as possible, while providing effective legal advice and representation to its clients.

How are we doing? County Counsel's day-to-day operating budget continues to stay fairly consistent with prior years. County Counsel generally requires an adjustment in the salaries & benefits accounts at year-end to cover the COLA for the year. The account that is difficult to predict and budget is the professional & special services account, due to the nature of unanticipated litigation costs.