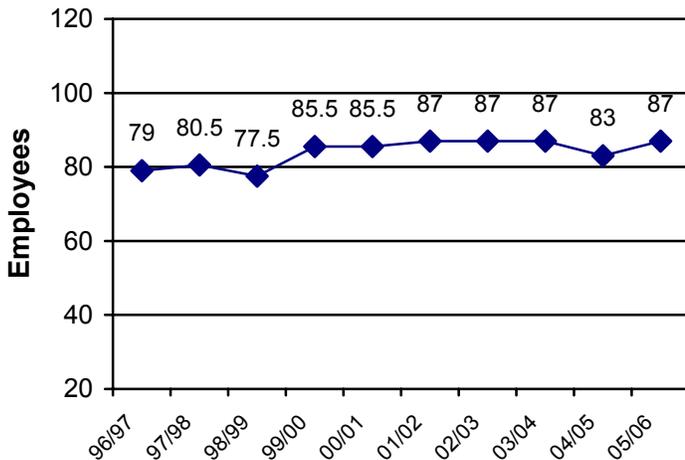


MISSION STATEMENT

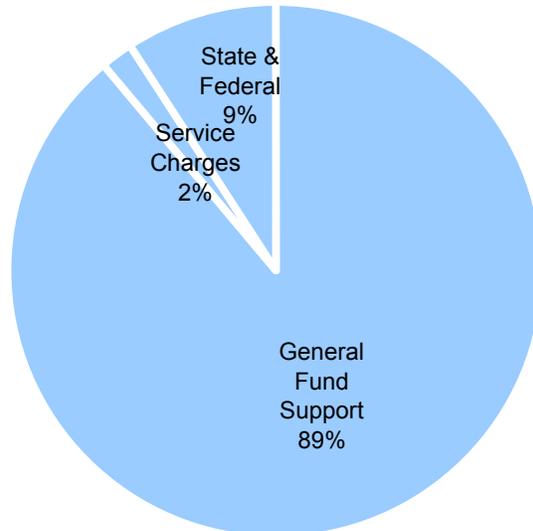
The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect and teamwork.

<u>Financial Summary</u>	2003-04	2004-05	2005-06	2005-06	2005-06
	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 941,268	\$ 911,812	\$ 820,159	\$ 820,159	\$ 820,159
Salary and Benefits	5,889,254	6,095,693	6,471,938	6,529,708	6,529,708
Services and Supplies	693,815	785,753	778,854	763,274	763,274
Fixed Assets	0	0	44,500	44,500	44,500
**Gross Expenditures	\$ 6,583,069	\$ 6,881,446	\$ 7,295,292	\$ 7,337,482	\$ 7,337,482
Less Intrafund Transfers	0	189	0	0	0
**Net Expenditures	\$ 6,583,069	\$ 6,881,257	\$ 7,295,292	\$ 7,337,482	\$ 7,337,482
General Fund Support (G.F.S.)	<u>\$ 5,641,801</u>	<u>\$ 5,969,445</u>	<u>\$ 6,475,133</u>	<u>\$ 6,517,323</u>	<u>\$ 6,517,323</u>

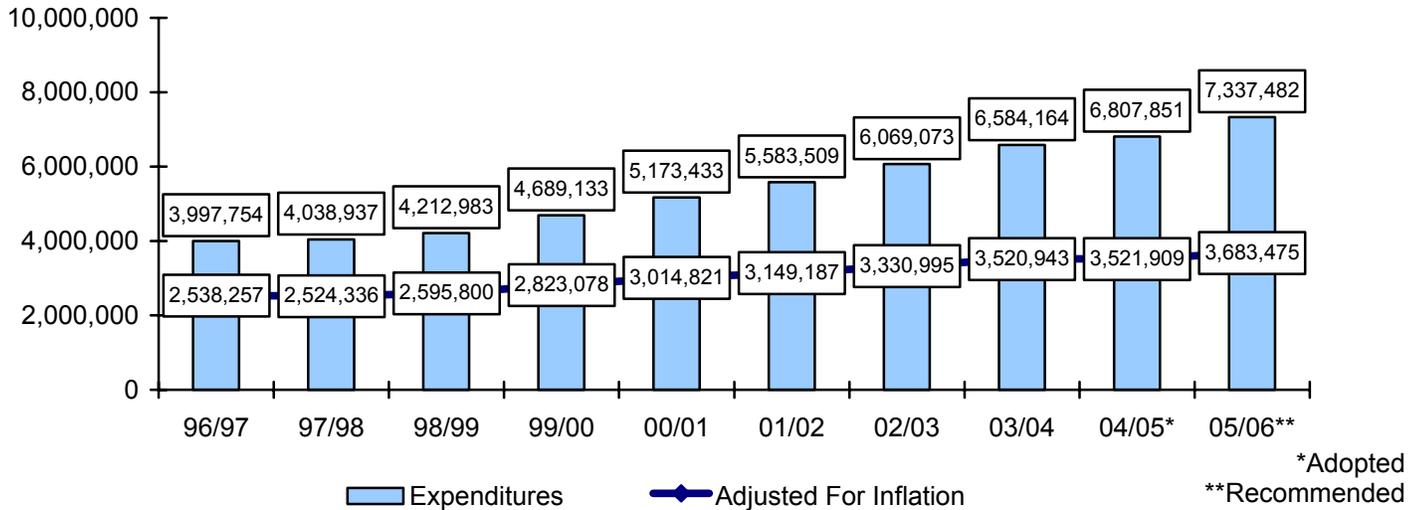
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Administration

Oversee the preparation of all property assessments, manage personnel issues, develop and monitor the department budget, coordinate accounts payable and payroll.

Total Expenditures: \$880,344 Total FTE 5

Assessment Valuation, Reviews, and Appeals

Review and assess the value of secured real property (i.e. land and buildings) when there are changes in ownership, new construction, declines in market value, disaster relief, and other appraisal events. Review, audit, and assess the value of unsecured business property (i.e. business equipment, boats, aircraft, etc.). Assessments appealed by property owners are reviewed, processed, tracked, and staff presents recommendations to the Assessment Appeals Board.

Total Expenditures: \$3,449,296 Total FTE: 35

Assessment Standards

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

Total Expenditures: \$880,344 Total FTE: 5

Public Service

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

Total Expenditures: \$366,810 Total FTE: 6

Roll Preparation

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

Total Expenditures: \$1,760,688 Total FTE: 36

DEPARTMENT COMMENTS

Property taxes provide financial support to many County services and programs. Some, such as funding for the Library and Roads, are mandated while other funds are allocated to discretionary programs. As State funds are cut back, property tax revenues have become a critical funding source to these programs. Consequently, it is essential that the Assessor's Office have the resources *to process all assessments and complete the assessment roll timely and accurately*. By doing so, we will assure the timely collection of property tax revenues, and the disbursement of funds to the public services and programs that depend upon them.

During the 2004/05 Fiscal Year, the Assessor and his staff have faced on-going growth in the workload; significant changes in the staff; and the preparation for the move to the new office building. Each of these has presented challenges and obstacles to the timely and accurate completion of the assessment roll. The retirement of 2 managers has seriously hindered roll processing functions, public services, and assessment appeal activities. Lengthy recruitments to fill vacancies in the Transfer Section have slowed the processing of changes in property ownership, and delayed the progress on the growing backlog. In preparation for the move, the volume of the property files had to be reduced. The new office has considerably less storage space for the files, and it was necessary to have a majority of the staff assist in purging the files.

Throughout the year, the Assessor and his staff have been diligently working to find solutions and overcome the obstacles. Action Teams, consisting of Assessor's staff, were formed to evaluate existing processes and systems. Most of the teams have concluded their analysis, and have made recommendations that are included in the Budget Request. Ultimately, these changes will improve the effectiveness and ability of the Assessor's staff to timely and accurately produce the assessment roll.

The Assessor's Office will have lower revenues in the coming year. The Parent/Child Exclusion fees have been eliminated by new legislation. This is approximately a \$30,000 to \$35,000 annual reduction. However, as more subdivisions are created, it is anticipated that the increased activity will generate sufficient revenues from the Subdivision Fees to offset the discontinued Parent/Child Exclusion Fees. In the Governor's budget there is also a proposal to reduce the Property Tax Administration Program revenues by 10% for the 2005/06 fiscal year.

While maintaining a status quo in the resources available to the Assessor, the proposed budget allows the Assessor's Office to implement some of the recommendations made by the Actions Teams. The goals of these changes are to improve communications as well as systems and processes within the Office. The most significant change is the implementation of a new organizational structure that eliminates 4 positions and adds 4 new positions. The positions eliminated would include the Chief of Assessment Standards, Chief Appraiser, Supervising Auditor-Appraiser, and a Property Transfer Technician II. The replacement positions are an Assistant Assessor, 2 Principal Appraisers, and a Property Transfer Technician III.

The proposed reorganization of the Office creates 5 new divisions. These new divisions group activities according to the major functions of the Office, and thereby will improve the communication and work processes of the staff that are engaged in performing related duties. These new divisions include an Assessment Services Division, an Administrative Services Division, an Automation/GIS Division, a Business & Income Property Division, and a Residential Property Division.

The proposed 2005/06 budget includes a request to restore 2 Assessment Technician positions that were eliminated last year. These positions will be used to index recorded documents according to parcel number (Parceling), and to scan and index documents in the Integrated Document Management system.

The services and supplies include requests to replace several pieces of equipment including computer equipment and copiers. Most of the equipment is being replaced according to the replacement schedules established by IT and Purchasing. There are several pieces of equipment that are older than the recommended replacement schedules. Under the services and supplies, funds are being requested for training and related travel. This is to assure that 14 certified staff members maintain their State Board Of Equalization Certification. This is a legal requirement for all Assessor employees who appraise property.

The Assessor and his staff are ready to make changes in order to become more effective in producing the assessment roll. This budget provides the means for the necessary improvements in the Assessor's systems and processes. The impact of these improvements is not limited to the Assessor's Office. Ultimately, the County services and programs that are dependent upon property tax revenues will be impacted, as well as the public who use those services.

RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS

Unit Amount	Description	Results
Gross: \$65,800 General Fund Support: \$65,800	Add two Assessment Technician I,II,III positions to address increasing workload in processing recorded documents (parceling) and support of the Integrated Document Management system.	<ol style="list-style-type: none"> To complete 90% of all parcel changes and cuts by roll turnover (June 2006) To assist the department in achieving its goal of completing 98% of the assessment roll on time. If the existing backlog is not eliminated, potentially \$20,000,000 in property value will not be enrolled timely.
Gross: \$26,157 General Fund Support: \$0	Purchase the sales data entry and customer service module for the Assessment Evaluation Services system. This will be purchased using Property Tax Administration funds.	<ol style="list-style-type: none"> Improve Appraiser productivity from 650 to 1000 appraisals/year. Improve efficiency and thus save 800 hours/year in Assessment Tech and Appraiser time. Enhance customer service by improving access to property Characteristics and Assessor's maps.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget provides for \$6,517,323 in General Fund Support, which reflects an increase of \$580,760 (or 9%) compared to the FY 2004/05 Adopted Budget. Four positions were eliminated in the FY 2004/05 Adopted Budget: two Property Transfer Technician I and two Assessment Technician I. Due to the continuous increase in workload facing the department, the two Property Transfer Tech 1 positions were restored mid year. We are recommending that the two Assessment Tech 1 positions be restored in the FY 2005/06 budget to assist the department in reducing a growing backlog and achieve their goal of completing 98% of the assessment roll by June 30, 2006. To offset the increased expenses related to the restored positions, the department has worked with our office to trim expenses in other line items.

As noted in the department's comments above, the recommended budget reflects a decrease in revenues as compared to the FY 2004-05 Adopted budget. The Property Tax Administration Program funding level is \$73,629 (or 10%) less to reflect a proposed 10% reduction in the Governor's proposed budget for this program. However, fee revenue is recommended to increase \$22,500 (or 26%) which will help mitigate a portion of this loss.

Also noted in the Assessor's comments is a proposed reorganization of the department - an outcome of their Organizational Effectiveness efforts. Given the extensiveness of changes proposed, this reorganization is not reflected in the recommended budget. Our office will be working with the Assessor and the Personnel department over the next few months to analyze the proposed reorganization and complete the steps necessary for implementation. Once this work is completed, an item will be brought to the Board for approval.

BOARD ADOPTED CHANGES

None.

GOALS/PERFORMANCE MEASURES

Department Goal: To levy fair and equitable assessments on real property (i.e. land and structures) in an accurate and timely manner by using accepted appraisal principles and prevailing assessment practices.							
Communitywide Result Link: A well-governed community.							
1. Performance Measure: Percentage of the assessment roll completed by June 30th of each year.							
00/01 Actual Results	01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04/05 Adopted	04-05 Actual Results	05/06 Target	
98%	97%	97%	94%	98%	94%	98%	

What: Measures the assessments that are appraised before the June 30th deadline. For 2003-04 and the 2004-05 the State Board of Equalization granted an extension to July 30th, 2004 to complete the assessment roll.

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

How are we doing? While we strive to achieve 100% completion of the assessment roll, there are situations that prevent the completion of all work items prior to June 30th each year. Typically, a small percentage of incomplete work items remain at roll turn over due to delays in obtaining information or the need for additional research. However, for the 2003/04 and the 2004/05 fiscal years, there was more than the typical number of incomplete items. This is due to the continuing high volume of recorded documents that impacted the workload. Even though the percentage of completed items remained 94% for the 2nd year, it is important to note that this was accomplished in 12 months as opposed to 13 months in the previous year.

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

00/01 Actual Results	01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04/05 Adopted	04-05 Actual Results	05/06 Target
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.62	.68	.67	.72	2	.57	1
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What: When property owners disagree with their property's assessed value, they may file for an assessment appeal hearing before the Assessment Appeals Board. The number of real property appeals is used as an indicator of accuracy and equity among assessments. A low number of appeals is associated with a greater degree of accuracy and the property owner's satisfaction with their assessments.

Why: The Assessor strives to make accurate and thorough assessments when property is initially valued in an effort to control the costs associated with producing the assessment roll.

How are we doing? The original projection for the 2004/05 fiscal year reflected an increase in assessment appeals due to the backlog of work carried over from the previous year. The actual results indicate a decrease in the number of assessment appeals. For the 2003/04 fiscal year, San Luis Obispo was once again ranked the lowest of 11 similar counties at .72 assessment appeals per 1,000 assessments. This is based on the most recent data on budgets and workloads provided by the Board of Equalization in January 2005.

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

00/01 Actual Results	01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04/05 Adopted	04-05 Actual Results	05/06 Target
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1,350	1,788	1,875	1,938	1875	1941	1940
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What: This measurement compares the size of the workload per appraiser from year to year.

Why: This indicator tracks changes in production as new procedures or automated systems are introduced.

How are we doing? The production per appraiser remained the same during the 2004-05 fiscal year. Originally, production was anticipated to decrease as a result of time spent on purging the property files, moving to the new building, and spending a considerable amount of time and effort on the Organizational Effectiveness assessment. Contrary to the projection, the staff overcame these obstacles and managed to maintain production at last year's level. This was a substantial achievement during a very difficult year.

4. Performance Measure: Net County Cost per assessment.

00/01 Actual Results	01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04/05 Adopted	04-05 Actual Results	05/06 Target
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\$26.85	\$26.99	\$29.04	\$33.79	\$32.00	\$34.29	\$37.50
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What: The measurement is the net county cost (General Fund Support) divided by the total number of assessments.

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

How are we doing? For the second year in a row, the Assessor's Office has experienced an increase in salaries and a decrease in revenues. The net result is a 1.5% increase in the net county cost of each property assessments. The budget and workload data compiled from the State Board of Equalization's report published in January of 2005, indicates San Luis Obispo Assessor's costs were within range of 10 similar counties. The report reflects data for the 2003/04 fiscal year. During that time period the cost per assessment for the 10 similar counties was \$21 to \$38 per assessment, and San Luis Obispo's cost was \$33.79.

Department Goal: To provide high quality services to the public and taxpayers.						
Communitywide Result Link: A Well-Governed Community.						
5. Performance Measure: The percentage of responses rating the Assessor's services as satisfactory or higher.						
00/01 Actual Results	01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04/05 Adopted	04-05 Actual Results	05/06 Target
New Measure	Not Available	Not Available	Not Available	70%	Not Available	85%
What: This measures the favorable responses regarding the Assessor's services.						
Why: To assure that the public and taxpayers receive high quality service from the Assessor's Office.						
How are we doing? The survey was delayed due to technical difficulties in producing a random sample of property owners for the survey. It is anticipated that the technical issues will be resolved in time to produce a survey by the end of 2005.						