

Support to County Departments

County Counsel

General Services Agency

Fleet Services

Information Technology

Reprographics

Human Resources

Risk Management

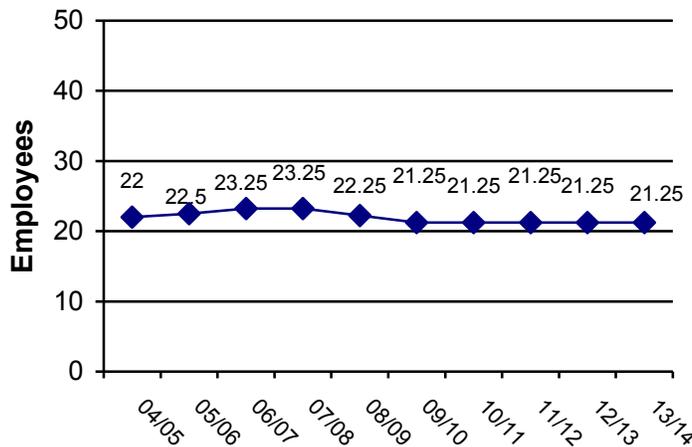
Self Insurance

MISSION STATEMENT

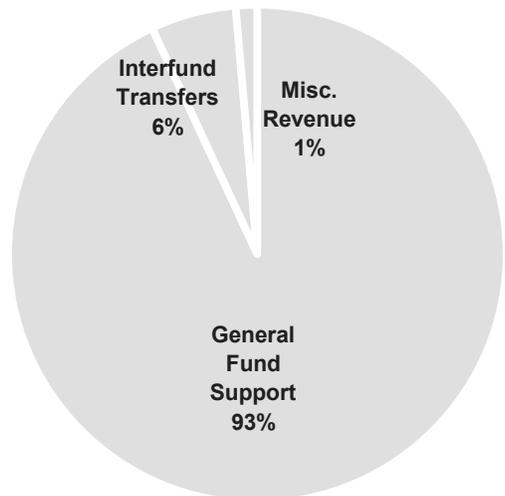
To provide accurate and reliable legal services to County departments, boards, agencies, and special districts in a manner which is cost effective and promotes excellence in delivery of government services to the public.

<u>Financial Summary</u>	2012-13	2012-13	2013-14	2013-14	Change From
	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	<u>2012-13</u>
Intergovernmental Revenue	\$ 2,483	\$ 3,496	\$ 2,483	\$ 2,483	\$ 0
Charges for Current Services	32,500	38,400	41,500	41,500	9,000
Other Revenues	0	375,000	0	0	0
Interfund	<u>190,017</u>	<u>190,000</u>	<u>202,500</u>	<u>202,500</u>	<u>12,483</u>
**Total Revenue	\$ 225,000	\$ 606,896	\$ 246,483	\$ 246,483	\$ 21,483
Salary and Benefits	3,340,860	3,230,000	3,296,325	3,303,778	(37,082)
Services and Supplies	<u>185,404</u>	<u>1,032,553</u>	<u>185,367</u>	<u>185,367</u>	<u>(37)</u>
**Gross Expenditures	\$ 3,526,264	\$ 4,262,553	\$ 3,481,692	\$ 3,489,145	\$ (37,119)
General Fund Support (G.F.S.)	<u>\$ 3,301,264</u>	<u>\$ 3,655,657</u>	<u>\$ 3,235,209</u>	<u>\$ 3,242,662</u>	<u>\$ (58,602)</u>

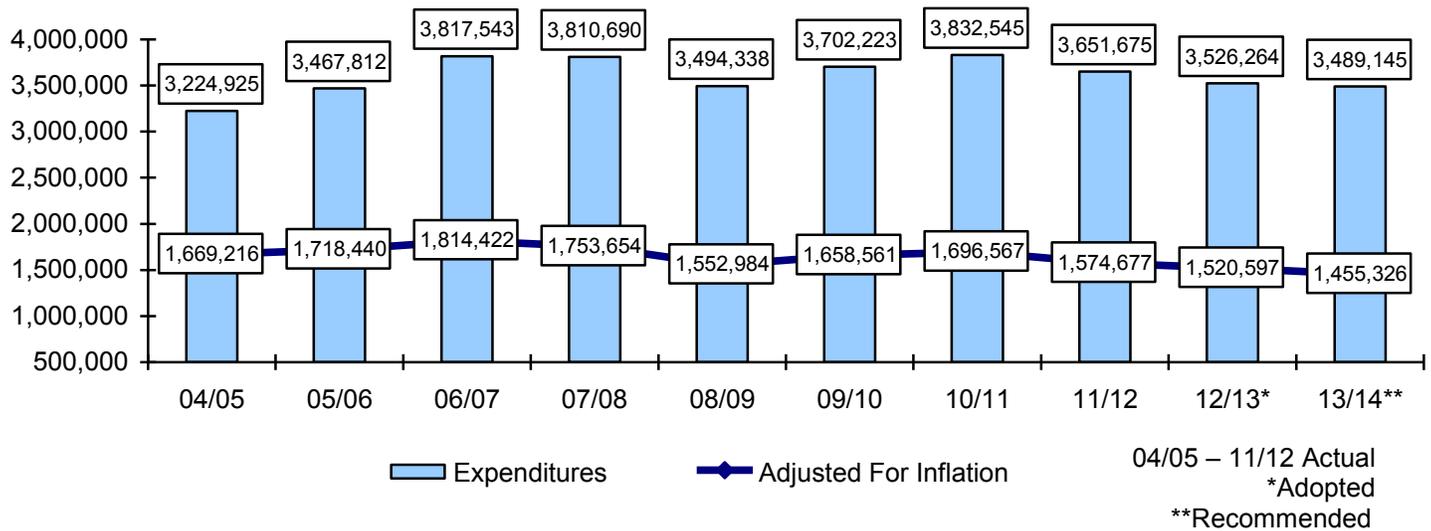
Number of Employees
 (Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

County Counsel has a total expenditure level of \$3,489,145 and a total staffing level of 21.25 FTE to provide the following services:

Litigation

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

Total Expenditures: \$1,046,743 Total Staffing (FTE): 6.375

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: \$2,442,402 Total Staffing (FTE): 14.875

DEPARTMENT COMMENTS

The Office of the County Counsel provides legal advice and litigation representation to the Board of Supervisors and approximately 70 County boards, commissions, departments, agencies and special districts. The County Counsel attorneys work with their clients to provide accurate and timely legal advice that encourages policy innovation while protecting County resources. When litigation does arise, attorneys approach each matter strategically. Through the wise use of in-house and outside counsel, the department seeks to uphold the Board's policy direction while protecting the County's assets. To the extent feasible, with respect to matters outside of the Risk Management Program, County Counsel seeks to reduce the use of outside counsel (which is generally more expensive than County Counsel) and to handle such matters in-house in order to preserve County funds.

In FY 2013-14, the department will be focused on addressing workload in several areas. It is anticipated that Public Records Act requests directed to the County will continue to increase and require evaluation by County Counsel. County Counsel will devote significant effort to evaluate and respond timely and appropriately to these requests and will assist departments in compiling and reviewing responsive documents. Additionally, County Counsel has committed to addressing the growing number of local and state issues involving water and supply in the coming year. The upward trend of the number of property tax assessment appeals is anticipated to continue during FY 2013-14, requiring an increase in hours devoted to representation by County Counsel on behalf of the Assessor and the Assessment Appeals Board. Finally, County Counsel anticipates that its efforts on behalf of the Airport Land Use Commission will increase with the Commission's anticipated update of the Airport Land Use Plan.

Following are some of the department's notable accomplishments for FY 2012-13 and some specific objectives for FY 2013-14:

FY 2012-13 Accomplishments

- Realized favorable judgments or settlements for the following:
 - Upheld the General Plan strategic growth amendments in the Court of Appeal
 - Successfully resolved litigation with Charter Cable regarding cable franchise rights-of-way assessment
 - Upheld plan for supervisorial district redistricting in a Superior Court challenge
- Significant transactional work included:
 - Negotiating a contract with Raytheon Corporation for a new Sheriff's dispatch system
 - Reaching a new contract with California Shock Trauma Air Rescue Ambulance (CALSTAR) for the provision of air ambulance service within the County
 - Securing funding for a Renewable Energy Education Center at Cuesta College's North County campus
 - Completing a new operating agreement with State Parks for the Morro Bay Golf Course
- Notable advisory efforts included:
 - Conditional Use Permit for Cold Canyon Landfill expansion
 - Implementation of AB 12 to extend foster care benefits beyond age 18, to age 21
 - Adoption of an updated Economic Element
 - Implementation of AB x26 to dissolve local redevelopment agencies
 - Planning, financing and constructing the Los Osos Wastewater Project

FY 2013-14 Objectives

- Provide legal counsel on the following major projects:
 - Women's jail project
 - Los Osos Wastewater Project
 - Los Osos Groundwater Management Plan
 - Los Osos Habitat Conservation Plan
 - Child Welfare Services
 - San Miguel Community Plan
 - Continued implementation of Sun Power and First Solar projects
 - Implementation of the Affordable Care Act
 - Continued implementation of the Pension Reform Act of 2013

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this department is recommended to decrease \$58,602 or 1% compared to the FY 2012-13 adopted level. Revenues are recommended to increase \$21,483 or 9% and total expenditures are recommended to decrease \$37,119 or 1%.

The department’s revenue consists almost entirely of charges to outside agencies and other County departments for legal services. In FY 2012-13, the department budgeted for a significant increase in legal services revenues due to a projected increase in the number of hours billed to the Public Works department for a variety of projects. In FY 2013-14, revenues are again recommended to increase, due to expected involvement in the State Water project, various capital projects, and various flood control and water conservation district litigation, as well as continued involvement in the Nacimiento Water Project and Los Osos Wastewater Project. Although projected revenue levels are significantly increased compared to prior years, it should be noted that the recommended revenue levels are consistent with where the department is estimating that it will end the current year.

Salary and benefits are decreasing \$37,082 or 1% due to the department having some new employees at lower pay steps than the positions had previously been budgeted at, as well as the expected under filling of a Supervising Legal Clerk at the Legal Clerk level in FY 2013-14. Services and supplies are essentially flat with FY 2012-13 levels.

Due to the continued increase in revenue from billings to other departments and outside agencies, the department was able to reduce its level of General Fund support without reducing expenditures. As such, it is expected that the department will be able to maintain existing service levels in FY 2013-14.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: Provide exemplary litigation services, defending decisions and advocating positions of our clients to assist those clients in achieving their objectives.</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>1. Performance Measure: Cases litigated where we achieve a positive outcome determined as follows below. <i>This performance measure is being deleted in FY 2013-14.</i></p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
44 Resolved 148 Pending	49 Resolved 162 Pending	53 Resolved 156 Pending	52 Resolved 108 Pending	30 Resolved 131 Pending	25 Resolved 100 Pending	Deleted
<p>What: This measure tracks the number of cases where County Counsel realized a positive outcome by successfully defending the legislative and executive decisions of the Board of Supervisors, upholding County officers’ decisions and protecting County assets.</p> <p>Why: Tracking the results of cases litigated by County Counsel helps to measure the success of the department in implementing governmental decisions and protecting the County’s proprietary interests.</p> <p>How are we doing? It is projected that approximately 25 litigation files will be closed during this fiscal year. We are currently managing or overseeing 122 lawsuits and administrative proceedings (not including probate matters, conservatorships, mental health habeas corpus proceedings, and juvenile dependency matters). This measure is being deleted in FY 2013-14 due to the fact that the number of litigation files closed during a fiscal year does not accurately reflect the outcome of a case or the time invested in it. While the work that County Counsel does can impact the number of lawsuits that are filed against the County, there are other external factors beyond County Counsel’s control that contribute to the number of cases that are litigated.</p>						
<p>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.</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>						

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
629	700	690	695	650	665	650

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 CWS matters.

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

How are we doing? It should be noted that the County Counsel's office has virtually no influence on the number of proceedings that are handled. We handle whatever comes our way via the Department of Social Services (DSS). The number of proceedings depends on numerous factors beyond our control, including (1) the number of proceedings initiated by participants in the juvenile court (DSS, parents, children, etc.); (2) the mix of proceedings that need to be disposed of (e.g., more complex proceedings consuming large amounts of court and DSS resources generally means that fewer short cases can be processed by the court and DSS); and (3) the amount of juvenile court resources available to hear proceedings, which tends to be finite. Not included in the figures above are the number of writs and appeals that are filed in regard to these cases. It should also be noted that the number of writs and appeals are beyond our control. For example: parents are entitled to outside appellate counsel from a large panel, and individual panel attorneys may take more aggressive approaches. In addition, changes in statutes or case law can trigger a rash of related appeals. A significant amount of work is required to prepare responses to these filings and to argue some at the Court of Appeal. No comparable county data is available.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
162	143	148	156	150	150	150

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

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

How are we doing? So far during FY 2012-13, there have been 15 Habeas Corpus matters handled by County Counsel. Based on this number, it is expected that there will be approximately 36 during this fiscal year. At present, there are 104 ongoing/active conservatorship cases, as well as nine estate matters from the Public Administrator. The number of conservatorship cases holds fairly steady, though their complexity continues to be at an elevated level, resulting in more hours of preparation and increased court appearances than in years past. No comparable county data is available.

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

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

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
95%	95%	97%	100%	99%	100%	99%

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

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

How are we doing? Results are calculated by comparing the number of clients the department represents (106) with the comments received. As of this date all clients reported that advice from County Counsel was clear, relevant and timely. The results continue to improve due to changes in assignments of clients to attorneys that create better fits, more experience with the client, etc. No comparable county data is available.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Projected	13-14 Target
96%	98%	99%	91%	90%	96%	98%

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

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

How are we doing? At this point in FY 2012-13 there have been 1,366 requests for legal advice submitted by various departments. Approximately 1,300 of these requests for legal advice were completed within five working days. Some of the requests for legal advice require considerable time to complete due to their complexity or necessary research but the requests are not weighted according to complexity or difficulty and therefore do not take this factor into account. No comparable county data is available.

6. Performance Measure: Percentage of contracted projects and Board of Supervisors agenda items completed without litigation. This performance measure is being deleted in FY 2013-14.

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Projected	13-14 Target
99%	99%	99%	99%	99%	99%	Deleted

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. County Counsel also provides continuous legal advice while contracts are administered. All land use planning issues before the Board are reviewed by this office and advice is provided on all such items. This measure reflects the percentage of time that County Counsel provides the legal advice necessary to avoid litigation regarding contracts and agreements approved by the Board of Supervisors.

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

How are we doing? At this point in FY 2012-13 there have been two lawsuits filed that involved the County and were a result of a contracted project and/or Board of Supervisors agenda item. The Board averages approximately 1,000 agenda items and/or contracted projects during each fiscal year; all contracts and agreements are signed off by County Counsel and the remainder of the agenda items reviewed by County Counsel. No comparable county data is available. This performance measure is being deleted in FY 2013-14, due to the fact that there are factors beyond County Counsel's control that may lead to litigation related to contracted projects or Board of Supervisors agenda items. While County Counsel's review of projects and items can help to avoid litigation, County Counsel does not have complete control over the number of lawsuits that are filed against the County.

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

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

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Projected	13-14 Target
.66%	.69%	.81%	.75%	.76%	.70%	.75%

What: This measure demonstrates the relationship between County Counsel's expenditures and the expenditures of the County as a whole. This measurement is obtained 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. This measure provides an indication of how cost effective County Counsel's legal support is.

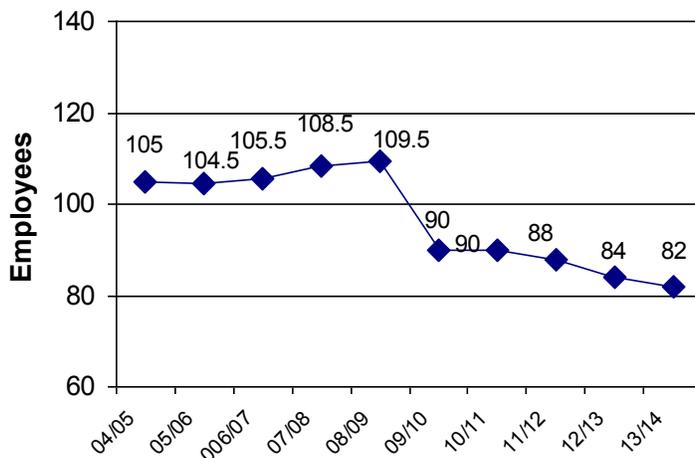
How are we doing? County Counsel's operating budget continues to stay fairly consistent with prior years. Expenditures are monitored closely throughout the year. The budget status includes the funds that are encumbered periodically during the year for professional services (i.e., outside law firms and outside technical experts). These professional services are incurred on behalf of the County and are budgeted and paid for through the County Counsel budget. At the beginning of any budget process, it is difficult to predict what professional services might be required. Our department's budget is primarily staff costs and all other costs are closely monitored.

MISSION STATEMENT

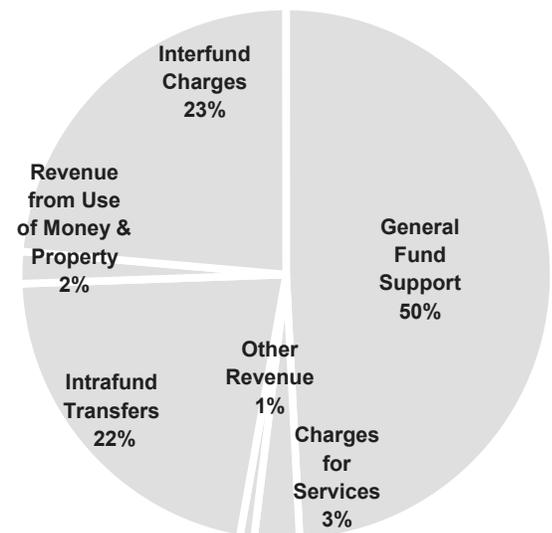
General Services provides cost effective, functional, safe facilities for San Luis Obispo County by delivering excellent services that enable the professional operation of County business.

	2012-13	2012-13	2013-14	2013-14	Change From
<u>Financial Summary</u>	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	<u>2012-13</u>
Licenses and Permits	\$ 14,000	\$ 13,464	\$ 10,900	\$ 10,900	\$ (3,100)
Revenue from Use of Money & Property	247,404	248,823	262,030	262,030	14,626
Intergovernmental Revenue	9,600	12,541	5,183	5,183	(4,417)
Charges for Current Services	414,429	321,189	327,695	327,695	(86,734)
Other Revenues	97,349	94,677	92,220	92,220	(5,129)
Interfund	<u>2,969,354</u>	<u>2,808,853</u>	<u>2,768,233</u>	<u>2,784,575</u>	<u>(184,779)</u>
**Total Revenue	\$ 3,752,136	\$ 3,499,547	\$ 3,466,261	\$ 3,482,603	\$ (269,533)
Salary and Benefits	7,922,666	7,546,107	8,050,758	7,920,994	(1,672)
Services and Supplies	4,246,112	4,325,745	4,334,329	4,298,190	52,078
Other Charges	72,561	72,148	72,561	72,561	0
Fixed Assets	<u>0</u>	<u>56,115</u>	<u>0</u>	<u>0</u>	<u>0</u>
**Gross Expenditures	\$ 12,241,339	\$ 12,000,115	\$ 12,457,648	\$ 12,291,745	\$ 50,406
Less Intrafund Transfers	<u>2,584,225</u>	<u>2,963,089</u>	<u>2,679,398</u>	<u>2,679,398</u>	<u>95,173</u>
**Net Expenditures	\$ 9,657,114	\$ 9,037,026	\$ 9,778,250	\$ 9,612,347	\$ (44,767)
General Fund Support (G.F.S.)	<u>\$ 5,904,978</u>	<u>\$ 5,537,479</u>	<u>\$ 6,311,989</u>	<u>\$ 6,129,744</u>	<u>\$ 224,766</u>

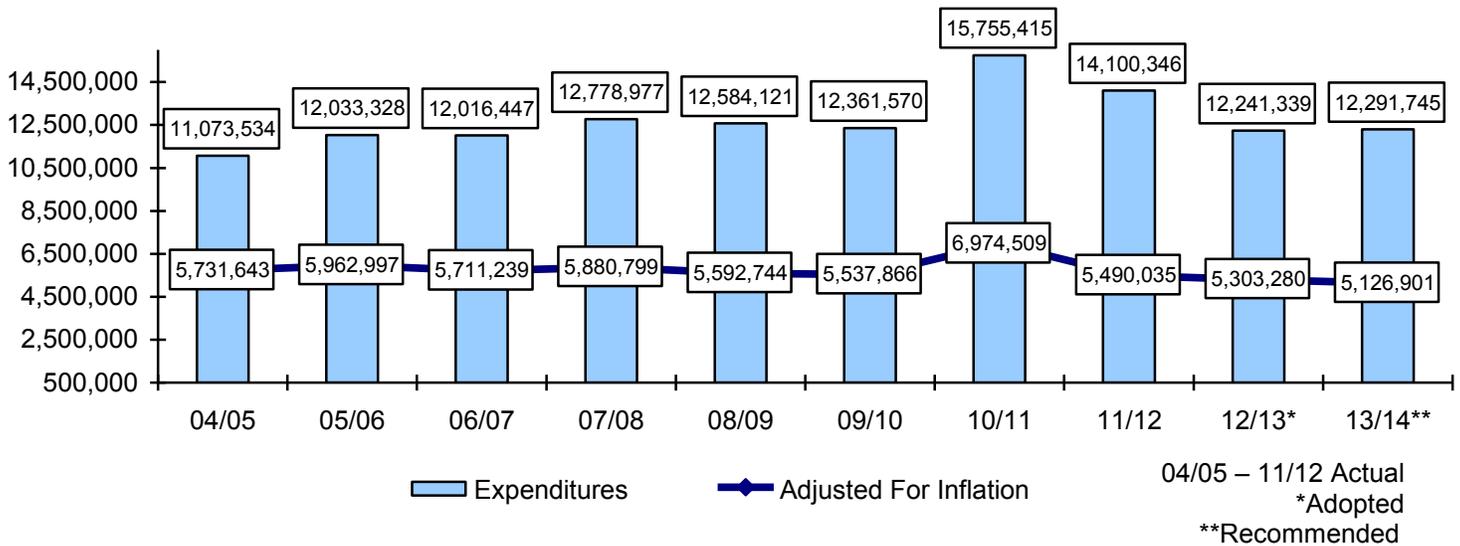
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

General Services Agency (GSA) has a total expenditure level of \$12,291,745 and a total staffing level of 82.00 FTE to provide the following services.

Administration and Financial Services

Provide general management, financial management, supervision, accounting, and administrative support to all business units in the General Services Agency, including County Airports, Fleet Services, Parks and Golf Courses.

Total Expenditures: \$1,784,168 Total Staffing (FTE): 13.00

Architectural Services

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

Total Expenditures: \$1,360,439 Total Staffing (FTE): 11.00

Central Mail Services

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

Total Expenditures: \$636,837 Total Staffing (FTE): 2.00

Purchasing Services

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

Total Expenditures: \$348,188 Total Staffing (FTE): 4.00

Custodial Services

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

Total Expenditures: \$1,909,915 Total Staffing (FTE): 24.00

Facility Maintenance Services

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

Total Expenditures: \$3,180,484 Total Staffing (FTE): 23.00

Utility Services

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

Total Expenditures: \$1,129,727 Total Staffing (FTE): 1.00

Real Property Services

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

Total Expenditures: \$1,941,987 Total Staffing (FTE): 4.00

DEPARTMENT COMMENTS

General Services Agency – General Services mission is to provide cost effective, functional, safe facilities for San Luis Obispo County by delivering excellent services that enable the professional operation of County business. The following services are provided by General Services:

- Architectural Services manages the design and construction of new and renovated County buildings and parks.
- Facility Services (Maintenance Mechanics and Custodians) maintains approximately 130 facilities with a combined square footage of 1.3 million and provides services to ensure all County buildings are kept in a safe and fully operational condition.
- Real Property Services oversees leased properties and manages legal information regarding County properties.
- Utility Services coordinates and manages facility utility needs and evaluates energy reduction and renewable energy options.
- Countywide Purchasing centralizes the purchase of equipment and materials for all County departments; and internal.
- County mail processes and delivers mail.

The following are some of the department's notable accomplishments for FY 2012-13 and some of the specific objectives for FY 2013-14.

FY 2012-13 Accomplishments

- Completed on-time and within budget the construction of the Creston Fire Station
- Implemented strategic plan in Purchasing to maximize the value of the County dollar by negotiating the best cost of goods procured

FY 2013-14 Objectives

- Initiate the construction phase of the Women's Jail Expansion
- Initiate the construction phase of the Juvenile Hall Expansion

- Completed Facilities Five-Year Capital Project Plan enhancing County-wide planning of both capital and infrastructure project needs
- Continued process improvements by implementing maintenance work order requests using The County's Enterprise Financial System (SAP)
- Complete on time, and within budget the Atascadero Library and North County Service Center to expand library space and provide needed County services
- Prioritize and complete three deferred maintenance projects in County-owned community buildings
- Implement County-wide purchasing electronic bidding method to maximize value of the County dollar

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to increase by \$224,766 or 3% compared to the FY 2012-13 adopted level. Revenues are recommended to decrease by \$269,533 or 7%. Total net expenditures are recommended to decrease by \$44,767 or less than 1%.

The operational expense for General Services is funded through a combination of General Fund support and service charges for custodial, maintenance, architectural, property management and other services that are primarily applied to non-General Fund departments. The General Fund and services charges each provide 50% of the funding for the General Services FY 2013-14 budget. The recommended funding in this budget maintains current service levels.

The 3% increase in General Fund support is partially due to the correction of an error made by the department in the FY 2012-13 budget. In FY 2012-13, the department developed a full cost recovery strategy that increased charges for maintenance, custodial and other services provided by the department to non-General Fund departments. Historically, the actual costs associated with services has been partially captured in the General Services charges to departments, and partially captured in County Cost Plan as overhead charges. The shift to full cost recovery through direct charges results in departments paying the entire cost for services directly to General Services, rather than paying a portion to General Services and a portion to Countywide overhead. Departments now pay only the full cost direct charge and countywide overhead charges will be reduced by an amount equivalent to the increase in direct charges. Based on the shift to full cost recovery, the FY 2012-13 budget included an increase in departmental revenues totaling approximately \$1.26 million. The increase in revenues was balanced by a decrease of approximately \$1.3 million in the department's FY 2012-13 General Fund support.

During FY 2012-13, the department discovered the formulas used to set full cost recovery charges included an error that double counted a portion of the revenues projected to be received from full cost recovery. The error resulted in revenues that were overstated by \$177,878. Since most of the reduction in the department's FY 2012-13 General Fund support was based on the revenues from full cost recovery, the reduction in General Fund was also overstated by \$177,878. The amount of General Fund restored to the budget to correct this error is reduced by \$80,000 to correct a similar error in the budget for Fund Center 305 – Parks. The \$80,000 in General Fund is being transferred County Parks to fund grounds maintenance. The budget narrative for Fund Center 305 Parks includes a discussion of this transfer of funding.

The recommended level of General Fund support for this budget also includes additional adjustments made for expenses related to lease payments for non-General Fund departments, and payment of utility costs for County buildings occupied by General Fund departments. The expenses for lease payments and utilities are in this budget, although the expense is related to the operations of other departments. The adjustment for lease payments and utilities adds approximately \$127,000 in General Fund to this budget. It should be noted that approximately \$100,000 in lease payments made on behalf of non-General Fund are recaptured through countywide overhead charges and returned to the General Fund through revenues that accrue to Fund Center 102 Non-Departmental Financing.

The revenue recommended in this budget is decreasing by \$269,533. The decrease in revenue is primarily related to reductions in revenue from Courts. Reductions in revenues for charges for services to departments also show a decline of approximately \$197,204. The Courts have reduced the use of custodial and services provided by the department resulting in revenues that are \$86,434, or 21% less than the amount in the adopted

FY 2012-13 budget. The reduction in revenues associated with charges for services is due to the double counting of revenues discussed above.

Total net expenditures are recommended to decrease by \$44,767 or less than 1% compared to the FY 2012-13 adopted budget. The primary driver of this decrease is a \$95,173 increase in intrafund expense offsets. Recommended salaries and benefits are decreasing by \$1,672 and services and supplies are increasing by \$52,078.

The recommended level of salary and benefits expense includes the elimination of 2.00 FTE vacant Maintenance Mechanic positions and savings from Voluntary Time Off (VTO). Savings from VTO total \$26,823. The elimination of the vacant positions reduces salary and benefit expense by \$132,096. The salaries and benefit accounts also show increases related to workers compensation, pension obligation bond expense and normal position step increases. A \$103,137 increase in workers compensation, a \$27,400 increase in pension obligation bond expense and additional expense from step increases reduce the savings from the elimination of vacant positions and VTO.

Services and supplies expenditures are recommended to increase by \$52,078 or 1% as compared to the FY 2012-13 adopted budget. The overall increase in expense in this category is comprised of a mix of increases and decreases in individual accounts. The rents and leases account shows an increase of \$132,193 or 9%, largely due to increased lease space for the Department of Social Services. Overall utility expense shows an increase of \$79,107 or 9% and maintenance contracts are increasing by \$89,985. The increase in maintenance contracts is largely related to shifting costs, which were previously budgeted in the professional services account, to the maintenance contract account. The professional services account is recommended to decrease by \$162,768 or 31% less than the FY 2012-13 adopted budget. The expense reduction in the professional services account is due to shifting of some expense to the maintenance contract account and the elimination of expense related to rental of the portable chiller used to provide air conditioning at the Health Agency campus in San Luis Obispo. Intrafund expense offsets are recommended for an increase of \$95,173 or 3% largely due to increased staff charges to the FC 200 Maintenance Project budget and additional charges to the Department of Social Services for custodial and other services.

The CAO recommendations include several changes to the department's budget request which reduce departmental expense by \$195,058.

- \$26,823 in salary and benefit savings from the use of Voluntary Time Off. This is expected to have minimal impacts to department operations.
- \$6,139 reduction in utility expense.
- \$5,000 in rents and leases expense. This reduction is based upon the annual consumer price index increase in rents and leases being less than the 3% included in the department's status quo budget.
- \$25,000 in reduction in postage expense/
- \$132,096 reduction to salary and benefit expense by eliminating 2.0 FTE vacant Maintenance Mechanic positions. The reduction of these positions may result in slightly longer response time to emerging maintenance issues and some shifting of maintenance activities away from preventative maintenance. The department identified the service level impact as minimal.

The number of positions in General Services as shown on the PAL will decrease by 2.0 FTE with the elimination of the two vacant Maintenance Mechanic positions discussed above.

There is no expense for fixed assets as none were requested by the department.

GOALS AND PERFORMANCE MEASURES

Department Goal: Manage County purchasing services to maximize value for the County dollar.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of purchasing transactions subject to a competitive solicitation.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
21%	22%	26%	26%	50%	54%	55%
What: A measure of the percentage of purchasing transactions that include a local competitive solicitation, a governmental cooperative purchasing agreement or Board of Supervisors review prior to contracting.						
Why: To encourage market competition among suppliers of goods and services and get the best value for County expenditures.						
How are we doing? Purchasing meets its performance target for FY 2011-12, while processing approximately 1,800 total purchase order transactions accounting for 97 million annually through our financial system (SAP). In FY 2012-13, Purchasing adopted a strategic plan providing increased focus on maximizing the County dollar and plans to exceed the adopted target for FY 2012-13. The performance target for FY 2013-14 has been increased to align with the FY 2012-13 projected results.						
Department Goal: Provide timely, reliable and cost-effective services that meet or exceed customer expectations.						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
2. Performance Measure: Percentage of Customers rating their experience with General Services as “satisfactory” or better.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	N/A	N/A	N/A	90%	90%	90%
What: The aggregate percentage of those responding to an annual survey that rate General Services (Accounting, Administration, Purchasing, Mail, Architectural Services, Maintenance and Custodial services) in terms of both efficiency and quality (timeliness, accuracy, courtesy and satisfaction) as “Satisfactory” or better.						
Why: General Services is dedicated to delivering accurate, reliable, and timely services that are valued by our customers.						
How are we doing? This was a new performance measure for FY 2012-13, consolidating several individual customer satisfaction surveys. The projected FY 2012-13 performance target is based upon General Services customer standard and consistent with its vision to “Deliver Excellence to Every Customer”. General Services plans to meet or exceed the adopted target for FY 2012-13. The performance target for FY 2013-14 will remain equal to the adopted year, but will be further analyzed to improve services when actual customer survey data from the new measure is available.						
Department Goal: Manage the County’s real estate assets and leases to support the operational needs of County Departments						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
3. Performance Measure: Percentage of customers rating the process and results as satisfactory or better. The process includes defining the space related business needs and meeting those needs with appropriate space and location.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	N/A	N/A	N/A	90%	95%	95%
What: The percentage of customers responding to ‘point-of-service’ survey or interview, conducted at the completion of each transaction or project that rate Real Property Services transactions in terms of quality and timeliness as Satisfactory or better. This includes the lease and permitting processes.						
Why: To encourage timely processing of requests and high quality transactions by measuring customers responses.						
How are we doing? This was a new performance measure for FY 2012-13. Presently in FY 2012-13 RPS has sent out 14 point of service surveys to customers and received back 13 Satisfactory or better. RPS plans on exceeding the adopted target for FY 2012-13. The performance target for FY 2013-14 has been increased to align with the FY 2012-13 projected and the most recent customer survey results.						

Department Goal: Provide cost-effective, reliable and safe facilities and property for County use.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
4. Performance Measure: Percentage change (as well as actual dollar change) of the Average Per- square-foot Maintenance and Custodial costs, as compared to the previous year.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	N/A	N/A	N/A	0% / \$0	0% / \$0	0% / \$0
<p>What: A comparison of the percentage change and actual dollar change in the per-square-foot costs of County owned facilities as compared to the previous year.</p> <p>Why: This is a measure of effective management of County facilities. Facility costs per-square-foot are developed annually as part of General Services Fees. This will create the basis for year-over-year comparisons. The goal is to keep the cost of ownership of County facilities flat or decreasing while ensuring optimal performance in terms of function and reliability.</p> <p>How are we doing? This was a new performance measure for FY 2012-13. Facility Services has an adopted budget of \$5,120,676.16 for FY 2012-13, which services a total area of 1,295,402 sq. ft. of County facilities. In FY 2012-13 these two factors established a baseline of \$3.95 per sq. ft. for facility costs. General Services is projecting to meet or exceed the adopted target with no significant changes to County facilities sq. ft. in FY 2012-13. General Services doesn't anticipate an increase in staffing or other maintenance and custodial expense, and estimates the performance target for FY 2013-14 to remain the same.</p>						
5. Performance Measure: The percentage of Corrective Maintenance (CM) work orders completed by Maintenance staff.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	N/A	N/A	N/A	90%	79%	84%
<p>What: The percentage of Corrective Maintenance work orders opened and completed within the expected time frame (each week) aggregated for the fiscal year. The average number of annual work orders for Corrective Maintenance (CM) is approximately 4,450.</p> <p>Why: Completion of Corrective Maintenance work orders is highly visible to our customers and contributes to excellent customer service.</p> <p>How are we doing? This was a new performance measure for FY 2012-13. Facility Services is projected not to meet the adopted FY 2012-13 target due to a higher focus being placed on Preventative Maintenance (PM) work orders. Presently select non-urgent Corrective Maintenance (CM) work orders are completed on a two-week priority plan and are being placed behind select critical Preventive Maintenance work orders with the goal of reducing the future quantity of CM work orders. As of October 2012 1,247 CM work orders have been completed in the automated work order system (SAP) within one week. The performance target for FY 2013-14 has been decreased to align with the new CM work order strategy.</p>						
6. Performance Measure: Percentage of Preventive Maintenance (PM) work orders completed within their designated schedule.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	N/A	N/A	N/A	20%	28%	30%
<p>What: The percentage of Preventive Maintenance (PM) work orders issued and completed by Maintenance staff within the scheduled time frame.</p> <p>Why: To monitor and improve the completion percentage for Preventive Maintenance work orders. Timely completion of preventive maintenance activities contributes to functional facilities and fewer corrective maintenance or 'break-fix' calls. It leads to the most effective deployment of staff and optimizes the usefulness of the facilities to support our customers and the public. The number of annual Preventive Maintenance work orders is approximately 3,000.</p> <p>How are we doing? This was a new performance measure FY 2012-13. Facility Services is projected to exceed the adopted FY 2012-13 target due to a higher focus being placed on Preventative Maintenance (PM) work orders. Presently select critical Preventive Maintenance work orders are being placed before non-urgent Corrective Maintenance (CM) work orders with the goal of reducing the future quantity of CM work orders and increasing the completed of PM work orders. As of October 2012, 250 PM work orders have been completed in the automated work order system (SAP) within the two week scheduled time frame. The performance target for FY 2013-14 has been increased to align with PM work order strategy and the FY 2012-13 projected and adopted results.</p>						

7. Performance Measure: Percentage of Capital and Maintenance projects that were completed within expected time estimates.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	N/A	N/A	N/A	90%	60%	90%
<p>What: The percentage of Capital and Maintenance projects that were completed within expected time estimates and according to Project Customer expectations.</p> <p>Why: Timely completion of capital and maintenance projects is one indicator of efficiency and contributes to functional facilities for our customer departments.</p> <p>How are we doing? Architectural Services expects to meet the projected target. This was a new performance measure for FY 2012-13. Architectural Services will not meet the adopted performance target for FY 2012-13 based upon inconsistencies in reporting the measure. The projected 60% for FY 2012-13 is an estimated percentage that uses existing available information related to projects completed in FY 2012-13 to date. Procedures and trainings are being completed to develop standard reporting in an effort to meet the adopted target for FY 2012-13. The performance target for FY 2013-14 has been kept equal to the Architectural Services internal benchmark, but will be analyzed to improve services, as standard reporting is available for the performance measure.</p>						

Fleet Services
Fiscal Year 2013-14 Proposed Budget

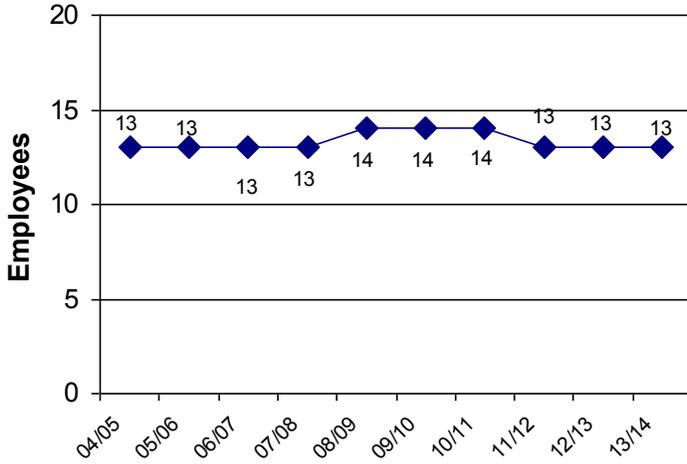
Fund Center 407

MISSION STATEMENT

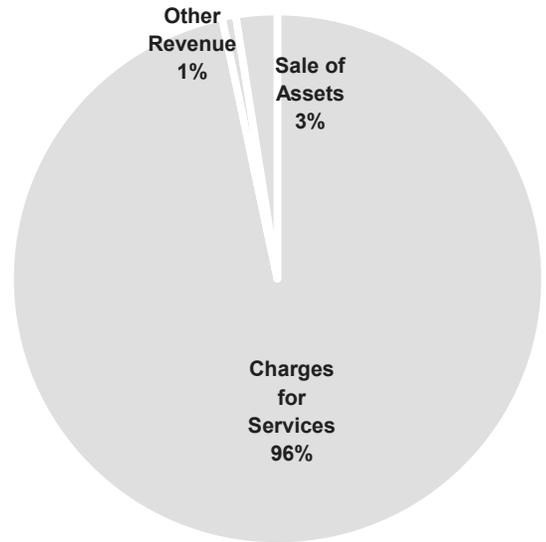
The San Luis Obispo County General Services Agency - Fleet Services provides reliable and cost effective transportation solutions through innovation and the application of industry best practices.

OPERATING DETAIL (1)	2011-12 ACTUAL (2)	2012-13 ESTIMATED (3)	2013-14 PROPOSED ESTIMATES (4)	2013-14 RECOMMENDED ESTIMATES (5)
OPERATING REVENUES				
Charges for current services	4,730,184	4,627,312	4,386,941	4,386,941
Depreciation Billings	976,965	1,139,165	1,261,101	1,261,101
TOTAL OPERATING REVENUES	5,707,149	5,766,477	5,648,042	5,648,042
OPERATING EXPENSES				
Salaries and Benefits	1,209,901	1,210,589	1,247,466	1,247,466
Services and Supplies	2,678,091	2,838,726	2,877,882	2,877,882
Depreciation	1,152,396	1,177,538	979,779	979,779
Countywide Overhead Allocation	128,620	68,348	95,701	95,701
TOTAL OPERATING EXPENSES	5,169,008	5,295,201	5,200,828	5,200,828
OPERATING INCOME (LOSS)	538,141	471,276	447,214	447,214
NON-OPERATING REVENUES (EXPENSES)				
Interest	14,049	12,560	12,560	12,560
Accident Restitution	0	0	0	0
Gain on Sale of Assets	0	0	0	0
Other	0	0	0	0
Prior Yr Adj	0	0	0	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	14,049	12,560	12,560	12,560
INCOME REF. CAPITAL CONTRIBS. & TRANSFERS	552,190	483,836	459,774	459,774
Transfers in (out)	(74,247)	(38,721)	(38,721)	(38,721)
CHANGE IN NET ASSETS	477,943	445,115	421,053	421,053
Net assets - beginning	6,572,359	7,050,302	7,495,417	7,495,417
Net assets - ending	7,050,302	7,495,417	7,916,471	7,916,471
FIXED ASSET EXPENDITURES				
Equipment	1,489,478	1,713,096	2,150,460	2,150,460
Structures Improvements	0	0	0	0
TOTAL FIXED ASSET EXPENDITURES	1,489,478	1,713,096	2,150,460	2,150,460

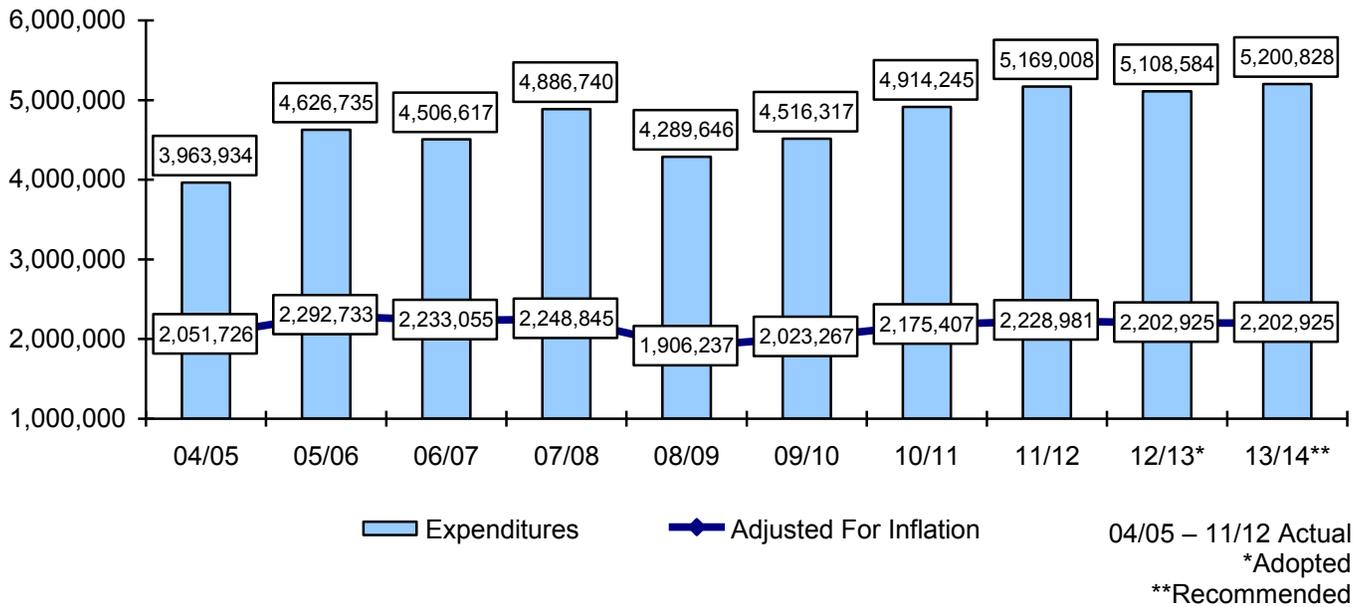
Number of Employees
 (Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Fleet Services has a total operating expenditure level of \$5,200,828 and a total staffing level of 13.00 FTE to provide the following services.

Fleet Services Operations

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

Total Expenditures: of \$5,200,828 Total Staffing FTE: 13.00

DEPARTMENT COMMENTS

Fleet Services is responsible for providing consistent economical and efficient transportation solutions for all Departments of the County of San Luis Obispo. Fleet provides full life cycle fleet solutions designed to meet the specific needs of each Department's unique operational requirements. The Fleet maintenance team is tasked with acquiring, maintaining and repairing a wide variety of vehicles and equipment in a timely, efficient and cost effective manner. Fleet performs all maintenance and repairs for the County owned fleet and provides emergency repair services 24 hours per day, 7 days per week. Fleet also manages an on-site fuel station and fuel card system which interfaces with our Fleet Management software.

The following are some of the notable accomplishments for FY 2012-13 and some specific objectives for FY 2013-14.

FY 2012-13 Accomplishments

- Completed the Fleet Emission Reduction policy. This places emphasis on fuel economy and pollution reduction as a part of our fleet management.
- Completed a customer survey and achieved a 98% customer satisfaction rating.
- Expanded the department's paperless effort to include the vehicle acquisition process and implemented electronic reporting.
- Implemented a monthly Key Performance Indicator (KPI) "Dashboard" style reporting system to enhance tracking the management of Fleet operations and vehicle purchases.
- Completed a computerized shop fixed asset inventory and replacement schedule.
- Reduced the space needed for storage of spare parts by identifying essential parts needs.

FY 2013-14 Objectives

- Upgrade the County fuel station dispensing equipment to include Air Pollution Control District compliant fuel pumps and fuel card communications software.
- Reduce fleet ownership cost by implementing a vehicle replacement strategy based on best life-cycle value rather than lowest acquisition cost.
- Complete a Fleet Services Business Model Policy which includes a general service Level Understanding (SLU) as well as SLU's for individual departments.
- Link Fleet Policies and Reports to the MYSLO Fleet Services Page to provide updated information for client departments.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Fleet Services, a division of the General Services Agency, is an Internal Service Fund (ISF), and as such, charges user departments for services. The State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, Service Programs, and the 10 year Expenditure chart use the information and data from the Schedule 10, including the amount allocated for depreciation. It is important to note that the comparison of estimated amounts in the Schedule 10 differs from the comparison of amounts in General Fund budgets. General Fund budgets

compare the adopted budget amount to the recommended budget amount. The Schedule 10 for internal service funds compares the estimated actual amount for FY 2012-13 to the proposed amount of new allocated expense and revenues, to be budgeted for FY 2013-14.

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

The FY 2013-14 Fleet Services budget has a total recommended operating expense of \$5,200,828, a decrease of \$94,373 or 2% as compared to the estimated operating expense for FY 2012-13. Charges for depreciation comprise \$979,779 of the operational expense. The depreciation expense is a non-cash expense that identifies the decline in value of capital assets.

There are no changes to the Fleet Position Allocation List for FY 2012-13. The recommended FY 2013-14 salary and benefit costs identify an increase of \$36,877 or 3% as compared to the estimated amount for FY 2012-13. The increased salary and benefit expense is primarily related to increases in workers compensation charges. The service and supply expense is also recommended to increase by \$39,156, or 1% as compared to the FY 2012-13 estimated amount. The increased expense in this category is largely related to vehicle maintenance costs and countywide overhead charges.

The total recommended operating revenue in the FY 2013-14 budget is \$5,648,042, a decrease of \$118,435 or 2% as compared the FY 2012-13 estimated amount. The reduced revenue is due to the absence of revenue from grants since no grant funded vehicles are proposed for purchase in FY 2013-14.

The recommended FY 2013-14 budget includes \$2,021,460 in capital expenditures for vehicle replacements. The recommended amount is \$437,364 or 6% more than the amount estimated for FY 2012-13. It should be noted that the estimated amount for FY 2012-13 included a number of vehicle purchases which were budgeted in FY 2011-12 but actually purchased in FY 2012-13. The FY 2013-14 budget funds the replacement of 65 cars and trucks. This is an increase of 25 replacement vehicles from the prior year. Over the past several years, Fleet has deferred the purchase of vehicles to reduce costs to client departments. The recommended level of vehicle purchases reflects some catch up in deferred vehicle purchases. 20 of the vehicles being purchased are Sheriff Patrol vehicles continuing the change to the new model patrol vehicles required due to the discontinuance of the availability of the Ford Crown Victoria patrol model. Three tractor mowers, one tractor and a trailer are also included in the vehicle purchases proposed for FY 2013-14. All the vehicles are replacements for existing vehicles.

Fleet is budgeting \$129,000 for fixed assets related to garage equipment necessary for the maintenance of vehicles, the operation of the fuel station and the maintenance of the Fleet yard. The fixed asset equipment includes a new coating and repair for the Fleet yard, a canopy over the fuel station as well as new fuel pumps and a smog machine to meet newer air quality requirements.

The recommended budget funds the replacement of vehicles which meet replacement criteria, including exceeding 100,000 miles and five years of service. The primary exception is related to replacement of Sheriff Patrol vehicles which are replaced at 100,000 miles and three years of service. The Fleet Fund has sufficient capital and operating funding for the foreseeable future. The recommended budget maintains current service levels associated with the maintenance and replacement of the county's vehicle fleet.

In FY 2012-13 the Board of Supervisors approved a new Fleet Vehicle Purchase Policy that utilizes a total cost of ownership basis to guide the purchase of new vehicles. This policy is designed to incorporate fuel efficiency, maintenance and resale value in the cost of ownership. The policy will assist in increasing the vehicle fleet's average miles per gallon, concurrently reduce pollution and reduce the overall cost of managing the Fleet.

GOALS AND PERFORMANCE MEASURES

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

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

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
83%	84%	76%	80%	80%	80%	80%

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

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

How are we doing? Fleet Services has achieved our adopted goal of 80% of all service and repair work to be completed within 24 hours thus far in FY 2012-13. This is also in line with our FY 2011-12 actual results. With a stabilized workload and three years of increased demand for services from Public Works equipment maintenance and repair, combined with the conversion of Sheriff's patrol vehicles, we anticipate meeting our FY 2013-14 Target at 80%.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
100%	100%	99%	98%	98%	98%	98%

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

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

How are we doing? Fleet Services met its customer satisfaction target in FY 2011-12. To obtain customer satisfaction input, Fleet Services conducts point-of-service surveys throughout the year and then participates in the General Services Agency annual survey at the end of the fiscal year. The point-of-service survey results thus far in FY 2012-13 have responded specifically to Customer Satisfaction questions related to Fleet with a 98% satisfactory or better. Results showed that none of those surveyed were Dissatisfied or lower.

3. Performance Measure: Cost per brake service compared to a private vendor.

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
\$644.13 Fleet Svcs/\$1,170.78 Private vendor	\$674.17 Fleet Svcs/ \$974.60 Private vendor	\$606.90 Fleet Svcs/\$941.53 Private vendor	\$571.74 Fleet Svcs/\$883.45 Private vendor	\$631.18 Fleet Svcs/\$979.19 Private vendor	\$635.00 Fleet Svcs/\$950.00 Private vendor	\$650.00 Fleet Svcs/\$980.00 Private vendor

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

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

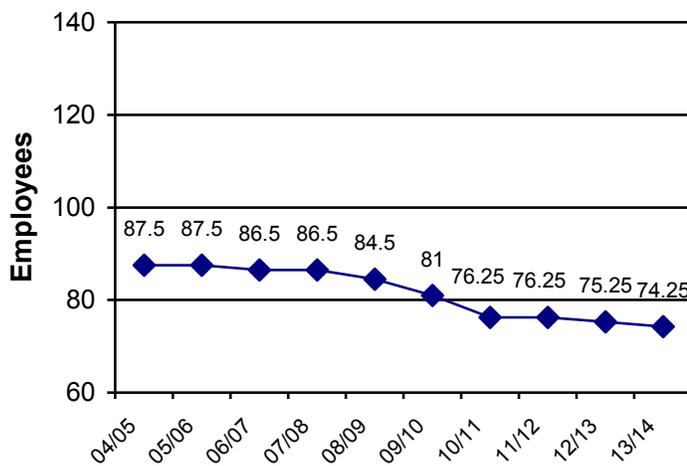
How are we doing? A survey of local private vendors and an internal study was conducted in November of 2012. This study revealed Fleet Services' actual cost had increased 3% to \$590.50. This is 7% below the FY 2012-13 adopted cost of \$631.18. The study also revealed that estimated pricing for outside vendors' services had increased by 7%. The average outside vendor price was \$951.00, compared to an adopted cost of \$979.19. The study reveals that Fleet Services remains 35% less expensive than the average outside vendor. Based on the FY 2011-12, survey results and a 2.5% inflationary factor, we set the FY 2013-14 Target at \$650.00 for Fleet Services and \$980.00 for private vendors.

MISSION STATEMENT

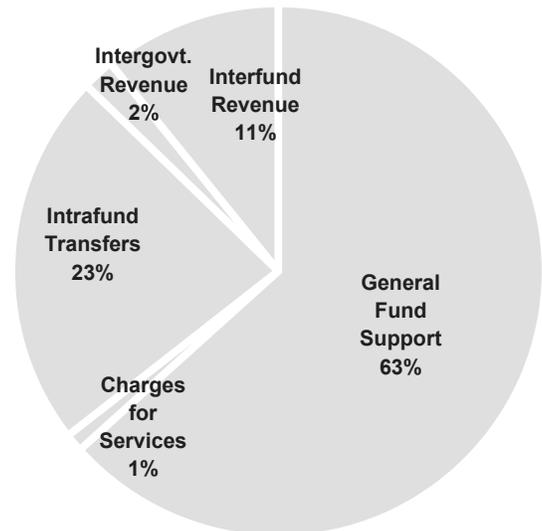
To provide cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community.

	2012-13 <u>Budget</u>	2012-13 <u>Projected</u>	2013-14 <u>Requested</u>	2013-14 <u>Recommended</u>	Change From 2012-13
Financial Summary					
Revenue from Use of Money & Property	\$ 0	\$ 1,600	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	262,000	262,000	245,054	245,054	(16,946)
Charges for Current Services	580,861	151,239	152,705	152,705	(428,156)
Other Revenues	0	116	0	0	0
Interfund	<u>1,281,320</u>	<u>1,392,995</u>	<u>1,404,303</u>	<u>1,404,303</u>	<u>122,983</u>
**Total Revenue	\$ 2,124,181	\$ 1,807,950	\$ 1,802,062	\$ 1,802,062	\$ (322,119)
Salary and Benefits	9,890,136	9,515,788	9,879,161	9,777,473	(112,663)
Services and Supplies	3,190,221	3,114,362	3,219,555	3,219,555	29,334
Fixed Assets	<u>0</u>	<u>13,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
**Gross Expenditures	\$ 13,080,357	\$ 12,643,650	\$ 13,098,716	\$ 12,997,028	\$ (83,329)
Less Intrafund Transfers	<u>2,939,899</u>	<u>2,907,050</u>	<u>2,955,949</u>	<u>2,955,949</u>	<u>16,050</u>
**Net Expenditures	\$ 10,140,458	\$ 9,736,600	\$ 10,142,767	\$ 10,041,079	\$ (99,379)
General Fund Support (G.F.S.)	<u>\$ 8,016,277</u>	<u>\$ 7,928,650</u>	<u>\$ 8,340,705</u>	<u>\$ 8,239,017</u>	<u>\$ 222,740</u>

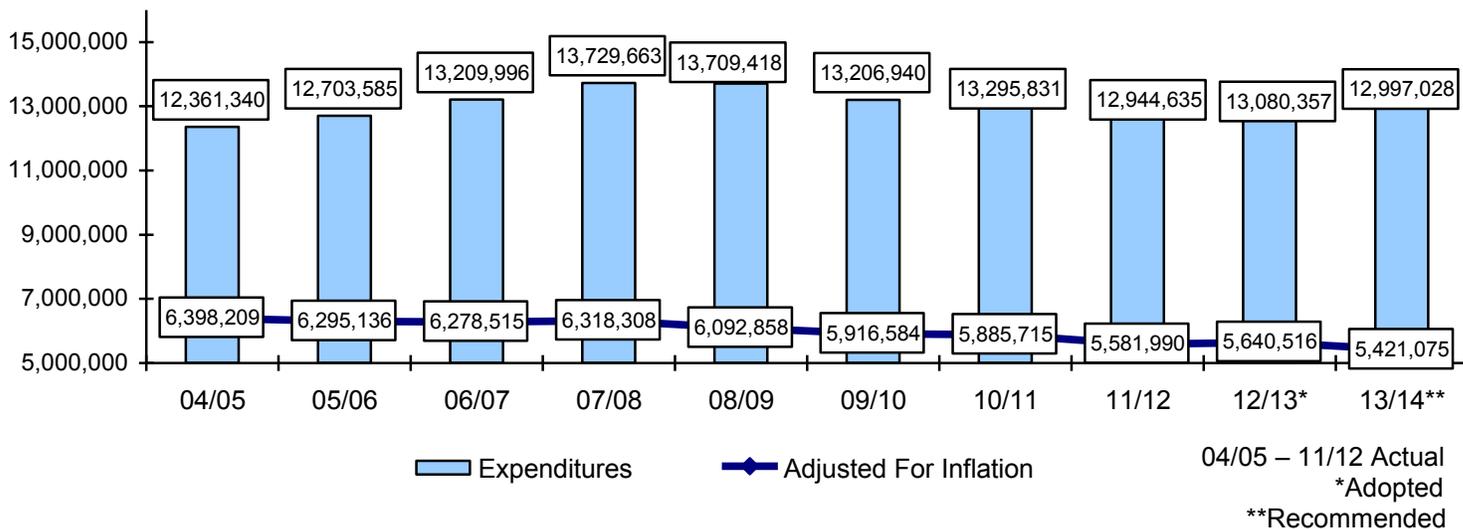
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Information Technology has a total expenditure level of \$12,997,028 and a total staffing level of 74.25 FTE to provide the following services.

Departmental Services

Provide clear points of contact for customers to acquire GSA-IT services by having each department assigned a Customer Advocate; provide technical support for customers; house servers and data in the controlled computer room including backup/recovery and Disaster Recovery Planning (DRP); provide business analysis, technology planning, and project management; provide guidance and best practices, procedures and documentation standards; assist with project risk assessment by reviewing project scope, business requirements stability and resource capacity; provide printing services; provide desktop support services, certain end-user training activities, and provide Countywide systems and applications support.

Total Expenditures: \$5,157,528 Total Staffing (FTE): 31.42

Enterprise Services

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

Total Expenditures: \$3,772,560 Total Staffing (FTE): 22.98

Networked Services

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

Total Expenditures: \$1,535,936 Total Staffing (FTE): 9.35

Radio Communications

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

Total Expenditures: \$1,473,579 Total Staffing (FTE): 8.98

Voice Communications

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

Total Expenditures: \$1,057,425 Total Staffing (FTE): 1.52

DEPARTMENTAL COMMENTS

The General Services Agency - Information Technology (GSA-IT) mission is to provide cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community. The County's Information Technology Executive Steering Committee (IT-ESC) provides information technology governance County-wide and drives a majority of the projects supported by GSA-IT. The County-wide Information Technology Strategic Plan (ITSP) reflects current fiscal constraints, business practices, technology directions, the needs of the County, and lays the groundwork for the systems that GSA-IT will be supporting.

Following are some of the department's notable accomplishments for FY 2012-13 and some specific objectives for FY 2013-14:

FY 2012-13 Accomplishments

- Hired a Geographic Information System (GIS) Program Manager to coordinate the County-wide GIS efforts
- Completed the remodel of the County data center with energy efficient air handling equipment that will reduce energy costs
- Enhanced the Criminal Justice Information System portal that provides local law enforcement agencies with critical data such as warrant and court docket information
- Upgraded the Integrated Document Management system used by all departments for electronic document storage, retrieval, and disposition
- Completed the "narrow-banding" effort on all County radios and base stations ensuring County-wide compliance with FCC rules

FY 2013-14 Objectives

- Complete, on-time and within budget, all IT-Executive Steering Committee directed projects
- Support the implementation of a new District Attorney (DA) case management system that will improve efficiencies with the DA's offices and further reduce the reliance on the County's mainframe
- Upgrade the County public safety communications microwave system to maintain continuous service
- Support the migration of the County property tax system off the mainframe to a modern technology platform
- Migrate the County email and scheduling system to a new system selected through a competitive bid process
- Support the Superior Court's implementation of a case management system that will ensure continued integration with County departments

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Total recommended expenditures for the Information Technology budget show a decrease of \$99,379 or 1% less than the FY 2012-13 adopted expenditure amount. The level of recommended revenues is decreasing by \$322,119 or 15%. The recommended level of General Fund support for this budget is increasing by \$222,740 or 2% compared to the FY 2012-13 adopted level.

The substantial decrease in revenues in this budget is entirely related to a \$436,204 decrease in revenue from the San Luis Obispo Superior Court. The County hosts the Court case management system and related information on the County mainframe. The annual cost to the Court to support the Court's mainframe-based systems is approximately \$440,000. Just before the start of FY 2012-13, the Court notified the County that due to State budget reductions, the Court would no longer be able to pay County Information Technology for hosting of the Court's Criminal Justice Information System (CJIS) on the County mainframe. The Court approached the County with a request for relief from these costs. Over a two year period, the County agreed to waive approximately \$400,000 and defer the balance of approximately \$440,000 of the Court's mainframe costs. The Court has agreed to make repayment of the deferred costs to the County at a future date. Based on this agreement, County IT anticipates a total revenue reduction for FY 2012-13 and FY 2013-14 will be nearly \$900,000. Increases in other revenue accounts partially offset the \$436,204 loss of court revenues resulting in the \$322,119 decline in recommended revenues for FY 2013-14.

Information Technology is continuing to provide services necessary to keep the Court's mainframe systems operational until the new Court case management system becomes operational in 2014. The new Court case management system will be server based and not rely on the County's mainframe platform. Moving the Courts case management system off the County mainframe is consistent with the County's Information Technology Strategic Plan to migrate technology systems off of the mainframe. The eventual elimination of the mainframe will result in cost savings to the County. The recommendation to increase this department's General Fund support by \$222,740 for the FY 2013-14 budget is associated with the reduction in departmental revenues related to deferral of mainframe charges to the Superior Court. Without the reduction in Court revenues, this budget would show a decrease in General Fund support of \$213,464, or 2% less than the General Fund support level in the adopted FY 2012-13 budget. The funds from the future repayment of the deferred charges will be returned to the General Fund.

The \$99,379 decrease in overall expenditures is due to a combination of an \$112,663 decrease in salaries and benefits expense, a \$29,334 increase in services and supplies expense and \$16,050 increase in intrafund expense offsets. The services and supplies accounts show a variety of increases and decreases with notable changes being a \$44,601 increase in software maintenance expense that is attributed to software licensing costs. A \$25,350 decrease in significant value purchases reflects a reduction in the number of computers and related hardware replacements for departmental staff. Information Technology did not request any fixed assets and there is no expense in this category.

The decrease in salaries and benefits expense is achieved by the elimination of a vacant 1.0 FTE Senior Systems Administrator, a reduction of \$131,351, and slight increases due to position step increases and an increase in workers compensation charges. The department listed the vacant Senior Systems Administrator as the first expense reduction listed on the department's list of expense cuts designed to reduce General Fund support. The responsibilities of this position will be shifted to other existing staff and the department identified the service level impacts of this reduction as being minimal.

The recommended FY 2013-14 budget for Information Technology maintains current service levels.

GOALS AND PERFORMANCE MEASURES

Department Goal: Provide timely, reliable and cost-effective services that meet or exceed customer expectations.						
Communitywide Result Link: <input checked="" type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input type="checkbox"/> Well-Governed Community						
1. Performance Measure: Percentage of time the County's radio communication system is available. This is an industry standard (the six nines rule) for public safety.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
100 %	100%	100%	100%	99.9999%	99.9999%	99.9999%
What: Maintain the availability of the Countywide microwave radio communication system to an outage level of no more than 32 seconds per year (the public safety interconnect industry standard is 99.9999% availability).						
Why: The microwave radio communication system provides radio coverage of more than 3,300 square miles in San Luis Obispo County for countywide public, safety and emergency service agencies. Radio communications within the County support the Sheriff/Coroner, County Fire, medical/ambulance response, and many other emergency and general government activities. The radio system also provides reliable communications with other local jurisdictions such as cities within the county and our neighboring counties. Lastly, the system allows for coordinated communications response with State and Federal agencies. Full availability and reliability contributes to a safe community.						
How are we doing? Information Technology expects to meet or exceed its goals and the industry standard for communication system availability. Conversion of all County-owned and licensed radio frequencies to narrowband operation was completed ahead of the FCC-imposed deadline of December 31, 2012.						
Department Goal: Provide timely, reliable and cost-effective services and infrastructure that meet or exceed customer expectations						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
2. Performance Measure: Percentage of time the County's voice mail communication system is available.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
99.8%	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%
What: The availability of the voice mail (voice mail boxes) system for internal or external access.						
Why: Voice mail is an integral management tool for County voice communications.						
How are we doing? Information Technology expects to meet or exceed its goals for voice mail communication system availability.						
Department Goal: Provide timely, reliable and cost-effective services and infrastructure that meet or exceed customer expectations						
Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community						
3. Performance Measure: Percentage of GSA-IT managed project milestones completed within expected baseline budget and time estimates.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
67%	95%	86%	81%	95%	95%	95%
What: This measure tracks the blended percentages of GSA-IT managed project milestones completed and budget amounts met according to Project Sponsor/Customer expectations and approved change requests.						
Why: Increased focus on project management will result in improved communication, strategic focus aligned with County goals, better resource planning, and more effective and efficient expenditure of technology dollars.						
How are we doing? Increased interaction with project steering committees is expected to result in Information Technology meeting or exceeding its goals related to project milestones, budget estimates, and time estimates. The target of 95% remains a reasonable and important goal.						

4. Performance Measure: Percentage of time the GSA-IT managed Local-Area-Network (LANs) and Wide-Area-Network (WAN) are available.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
99%	99%	99%	99.2%	99%	99%	99%
<p>What: The percentage of availability is calculated by comparing the monitored “up time” against scheduled “up time.”</p> <p>Why: Availability of County computing resources translates directly into County staff productivity and ultimately into their service delivery to the public.</p> <p>How are we doing? Information Technology expects to meet or exceed its goals for LAN and WAN availability. Significant expansion of the County’s wireless network is providing additional service to members of the public who visit County buildings and mobile County employees. GSA-IT expanded automated monitoring is allowing quicker response and helping to identify preventive maintenance opportunities.</p>						
<p>Department Goal: Protect the County’s computing assets through continued implementation of Information Security best 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>						
5. Performance Measure: Percentage of County staff that have received security training or reviewed an annual information security awareness reminder.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
100% of new hire staff, 0% of existing County staff	100% of new hire staff, 60% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff	100% of new hire staff, 100% of existing County staff
<p>What: Staff will become aware of proper security measures and apply them to their everyday work habits. It is expected the media delivery mechanism will change from year-to-year to maintain interest, e.g., general training, an Awareness Handbook, Intranet-based information, short Web-video viewable from the desktop, etc.</p> <p>Why: Industry analysis has proven that over 70% of all security breaches are internal to an organization. Education and prevention have been identified as the two most cost efficient keys to ensuring systems security. San Luis Obispo County, in a collaborative effort with other California counties, used the International Organization for Standards (ISO) guidelines to create and adopt eighteen security policies. The Security Awareness Program is an essential requirement that is included in those policies. Therefore, we measure the success of that Security Awareness Program each year. In this way, we meet industry standards.</p> <p>How are we doing? Information Technology achieved its goal of providing optional security training to over 2580 County employees in FY 2011-12 and expects to meet or exceed its goals for FY 2012-13. The training was provided via a “security survey” that was emailed to County staff. Beginning in FY 2012-13 and continuing into FY 2013-14, GSA-IT plans to make the survey mandatory with the inclusion of a signature page. This will provide additional assurance that the information related to technology security awareness is reaching County employees.</p>						
<p>Department Goal: To deliver excellent service to every customer.</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>						
6. Performance Measure: Percentage of responses to Customer Satisfaction Survey rating overall effectiveness as “satisfactory” or better.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
98.2%	97.4%	97.9%	89%*	97%	97%	97%
<p>What: The percentage of those responding to an annual survey that rate Information Technology in terms of both efficiency and quality (timeliness, accuracy, courtesy and satisfaction) as “Satisfactory” or better.</p> <p>Why: GSA-IT is dedicated to provide cost effective, accurate, reliable, and timely information technology solutions that deliver excellence to our customers and support efficient delivery of services to the community.</p>						

How are we doing? Information Technology expects to meet or exceed its Customer Satisfaction goal. Consistent with both the County-wide Information Technology Strategic Plan and department's Operational Plan, Information Technology continued to focus on its mission to "Deliver Excellence to Every Customer" and continues to make changes intended to improve customer service. Specific changes in FY 2011-12 and FY 2012-13 include the continued adoption of the industry standard Information Technology Infrastructure Library – which focuses on overall Service Management and Service Delivery in Information Technology environments.

* The target result for FY 2011-12 was not met. The FY 2011-12 survey was revised to include only 2 of 5 choices as "satisfactory" or better and a selection for "neither satisfied nor dissatisfied" was included. The revised survey was likely the contributing factor to the decline in survey results. The choice for neither satisfied nor dissatisfied made it difficult to determine whether the services provided were meeting customer needs. The GSA-IT customer survey for FY 2012-13 will be revised to use survey choices which are consistent with surveys used before FY 2011-12 and with those used in the majority of other County departmental customer surveys.

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

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

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
70%	70%	74%	73%	70%	70%	70%

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

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

How are we doing? Information Technology expects to meet or exceed its Service Desk dispatch and resolution goals. The GSA-IT Service Desk team resolved 73% of the 8,229 technical issue calls received in FY 2011-12. Through the end of the first quarter of FY 2012-13, call volumes, dispatch, and resolutions are all exceeding FY 2011-12. The formation of the Service Desk was undertaken as part of the County's Information Technology Infrastructure Library (ITIL) initiative. ITIL is the most widely accepted approach to Information Technology service management in the world and provides a cohesive set of best practices, drawn from the public and private sectors.

PURPOSE STATEMENT

This fund center is being eliminated and the Mission, Service Program, and Performance Measure for this Fund Center are no longer applicable. In FY 2010-11 a consultant study identified that the County can reduce the cost of copy and print services by eliminating Reprographics in-house copy and print services and contracting with a private vendor for the County's print and copy needs. This Fund Center is being phased out during FY 2012-13. At the mid-point of FY 2012-13, the County entered into a contract with a private vendor for print and copy services that have previously been provided Reprographics. County print and copy needs will now be met through the use of private vendors.

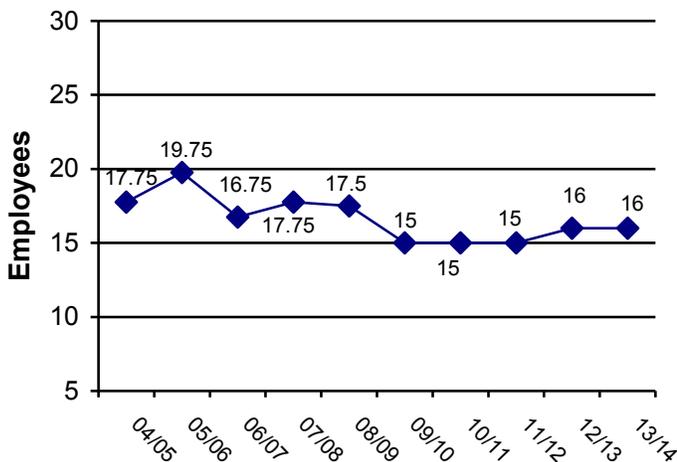
The plan to cease in house copy and print services approved as part of the FY 2012-13 adopted budget included the elimination of the remaining 2.0 FTE in positions that provided staff to Reprographics during the first half of FY 2012-13. The shift to the use of private vendors to meet the County's print and copy needs is anticipated to reduce the County's annual print and copy costs by \$150,000. Funding for print and copy services is within the service and supply category of individual department budgets.

MISSION STATEMENT

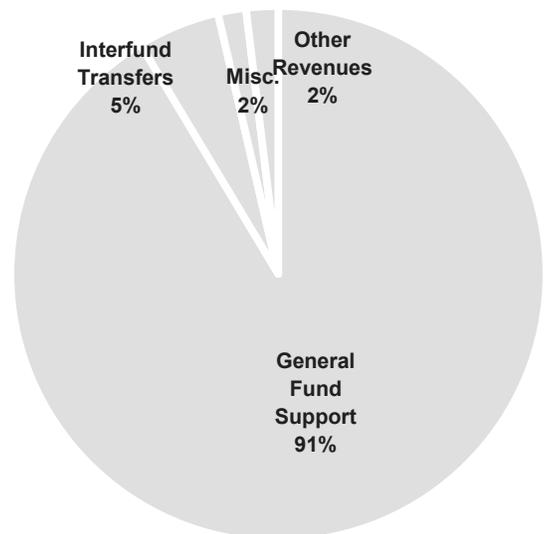
We attract, select, develop, and retain a talented and diverse workforce through strategic collaboration. We provide high quality and cost-effective programs to cultivate a healthy, safe, and productive work environment to maximize individual and organizational potential.

<u>Financial Summary</u>	2012-13	2012-13	2013-14	2013-14	Change From
	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	<u>2012-13</u>
Intergovernmental Revenue	\$ 5,269	\$ 5,269	\$ 4,269	\$ 4,269	\$ (1,000)
Charges for Current Services	49,025	49,025	30,550	30,550	(18,475)
Other Revenues	100,000	100,000	45,742	45,742	(54,258)
Interfund	<u>120,411</u>	<u>120,411</u>	<u>120,985</u>	<u>120,985</u>	<u>574</u>
**Total Revenue	\$ 274,705	\$ 274,705	\$ 201,546	\$ 201,546	\$ (73,159)
Salary and Benefits	1,884,553	1,884,553	1,919,955	1,925,678	41,125
Services and Supplies	<u>469,712</u>	<u>709,173</u>	<u>457,807</u>	<u>393,837</u>	<u>(75,875)</u>
**Gross Expenditures	\$ 2,354,265	\$ 2,593,726	\$ 2,377,762	\$ 2,319,515	\$ (34,750)
General Fund Support (G.F.S.)	<u>\$ 2,079,560</u>	<u>\$ 2,319,021</u>	<u>\$ 2,176,216</u>	<u>\$ 2,117,969</u>	<u>\$ 38,409</u>

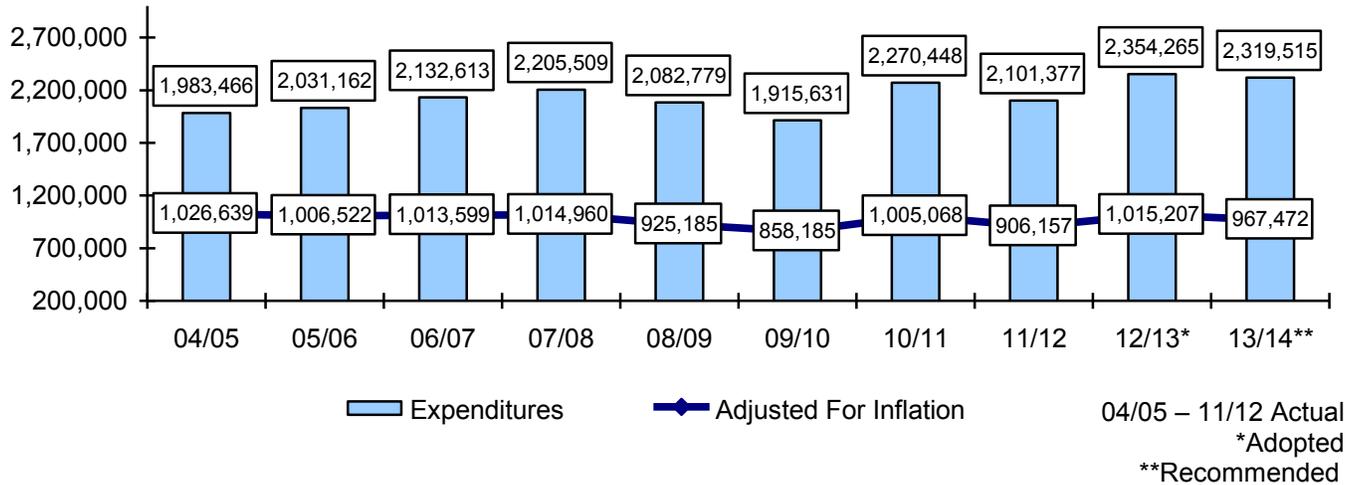
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Human Resources has a total expenditure level of \$2,319,515 and a total staffing level of 16.00 FTE to provide the following services:

Human Resource Services

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

Total Expenditures: \$1,215,165 Total FTE: 9.05

Training and Development

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

Total Expenditures: \$182,959 Total FTE: 1.60

Civil Service Commission Support

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

Total Expenditures: \$194,409 Total FTE: 1.15

Labor Negotiations and Contract Management

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

Total Expenditures: \$726,982 Total FTE: 4.20

DEPARTMENT COMMENTS

The Human Resources (HR) Department is responsible for providing the County's traditional personnel services (e.g., recruitment and testing, classification studies and analysis, departmental consults, staff support to the Civil Service Commission, and training), Labor Relations Management, and Risk Management services (e.g., liability, workers' compensation, insurance, safety, and employee benefits). The department also provides personnel services to outside agencies including the Air Pollution Control District (APCD) and Regional Transit Authority (RTA). Funding for the programs are located in Fund Center 112 – Human Resources, Fund Center 105 – Risk Management, and Fund Centers 408 through 412 – the Internal Service Funds.

The department has begun introducing competency-based tools for department leaders to use in selection, training and development and performance management. This contemporary HR practice provides a framework for describing effective work behavior in terms of knowledge, skills and attributes to support continuous improvement of County talent.

Following are some of the department's notable accomplishments for FY 2012-13 and some specific objectives for FY 2013-14:

FY 2012-13 Accomplishments

- Rapidly evaluated and implemented landmark pension reform legislation (PEPRA), establishing a 3rd tier pension benefit in time to meet the January 2013 compliance deadline.
- Continued to implement the Board's existing Labor Relations strategy, while assisting with development of new strategies to address future needs.
- The Loss Prevention Initiative continued its focus on prevention of ergonomically-related injuries, reducing ergonomic injury claims by 31% compared to FY 2010-11, and reducing total cash flow payments on claims in FY 2012-13 to the lowest they have been in 10 years.
- Further developed and enhanced departmental competencies in pursuit of our vision of becoming a sought-after strategic partner in County government. The FY 2012-13 focus was on Leadership, Change Management, and Collaboration/ Partnership.
- Designed and offered new courses through the Employee University (EU), including County Values & Workplace Communication. 1,100 County employees have received training through the EU to date this year.

FY 2013-14 Objectives

- Negotiate with the six employee organizations that have open contracts in FY 2013-14 in compliance with the Board's Labor Strategy to maintain sustainable pension and compensation costs.
- Continue to enhance the Employee University and Countywide employee development opportunities to develop talent and support succession planning initiatives. New curriculum includes courses in Performance Evaluation, Discipline and Managing Leaves.
- Work with Auditor to update the Enterprise Financial & HR Information System (SAP) to increase management reporting and data-driven decision making.
- Adjust the Workers Compensation program to account for considerable implications of recent workers compensation reform (SB863) which include eliminating scaled permanent disability (PD) payments and increasing PD rates by 40%.
- Research successful Wellness & Productivity Plan components to identify a recommended employee wellness plan.
- Continue to operate the Loss Prevention Initiative with increasing focus on non-office setting ergonomics.

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

The Human Resources department includes two General Fund budgets, Fund Center 112- Human Resources and Fund Center 105- Risk Management. The level of General Fund support for the two fund centers combined is recommended to decrease \$19,472 or less than 1% compared to the FY 2012-13 adopted level.

The level of General Fund support for Fund Center 112- Human Resources is recommended to increase \$38,409 or 1% compared to FY 2012-13 adopted levels. Revenues are recommended to decrease \$73,159 or 26% and total expenditures are recommended to decrease \$34,750 or 1%.

Revenues are decreasing due to several factors, including a projected decrease in the amount of nuclear planning revenue that the department will receive, as well as a decrease in billings to the Regional Transit Authority (RTA) due to a reduced need for County-provided personnel services. The biggest driver of the decline in revenue is a reduction of trust account money available to offset the cost of the department’s contract for labor relations services. In FY 2010-11, the County began implementing a new labor relations strategy, which required the expertise of a labor relations contractor. In FY 2011-12 and again in FY 2012-13, the department used \$100,000 from a trust account containing funds from prior disability insurance settlements to offset the cost of the labor relations contract. In FY 2013-14, only \$45,742 remains in the trust account, which significantly decreases the department’s revenues.

Salary and benefits are increasing \$41,125 or 2% due to regular pay step increases and the promotion of two employees which occurred in FY 2012-13. Services and supplies are decreasing \$75,875 or 16% due entirely to reductions in professional services accounts. To reduce the department’s level of General Fund support, it is recommended that funding for the department’s contract for labor relations services be reduced by \$59,470 and that centralized funding for employee medical exams be eliminated. Both reductions can be accomplished with no service level impacts. The reduction to the labor relations contract brings FY 2013-14 funding for the contract to \$150,000, which has been determined to be a reasonable annual average budget for this contract, assuming that the department will be able to carry forward unspent funds from years when use of the labor contract is reduced to years when the department experiences a heavy labor relations workload. The elimination of funding for medical exams will not pose any significant service level impacts, as the type of exams that this funding is used for typically occur less than three times per year countywide, and individual departments will be able to absorb the \$1,500 cost of the exams if they are deemed necessary for their own employees.

GOALS AND PERFORMANCE MEASURES

Department Goal: Conduct, monitor, and evaluate recruitment and testing in a timely manner in order to provide County departments with qualified candidates while ensuring compliance with regulations and merit principles.						
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: Average number of calendar days to produce eligibility lists for departments for open recruitments.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
38 days	34 days	44 days	62 days	39 days	59 days	45 days
What: This measures the time (recruitment final filing date through establishment of eligibility list) it takes Human Resources to provide departments with a list of qualified candidates to fill a vacant position after the recruitment closes.						
Why: The number of days to produce an eligibility list for recruitments is one measure of departmental efficiency. Human Resources endeavors to provide eligibility lists as quickly as possible to maintain staffing levels adequate to provide services to the community.						
How are we doing? Hiring department resource constraints and requests by hiring departments for delays in the process continue to substantially increase the number of days to produce eligibility lists. After initiating recruitments through Human Resources, some departments halted their recruitments because unforeseen changes to their budgets meant that they could not support the addition of staff. Recruitments halted by initiating departments raised the average number of days to produce an eligibility list, reflecting parameters other than Human Resources departmental efficiency. It is anticipated that unforeseen budget implications during FY 2013-14 will be less than those observed in FY 2012-13, which will reduce the number of days it takes to produce an eligibility list. While the number of days has increased in FY 2012-13, Human Resources’ recruitment satisfaction rating remains at a high level (98%). Comparable-entity data is not available.						

2. Performance Measure: Percentage of departments rating their level of satisfaction with the overall recruitment process as satisfactory or better. This performance measure is being deleted in FY 2013-14.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	100%	97%	98%	95%	95%	Deleted
<p>What: This measure presents the results of surveys completed by departments at the close of open recruitments as to the level of satisfaction with the overall recruitment process.</p> <p>Why: Recruitment process satisfaction survey results are tracked to determine whether or not the recruitment process is effective in meeting departments' staffing needs. Survey results enable us to identify opportunities to improve the efficiency and effectiveness of recruitments.</p> <p>How are we doing? The Human Resources department's performance can influence satisfaction with the recruitment process. Mutually agreed upon process improvements increased recruitment timelines, but contributed to a high level of customer satisfaction. During FY 2011-12, 98% of 51 survey respondents rated the overall recruitment process as satisfactory or better. Feedback in FY 2012-13 to date suggests that the FY 2012-13 target will be met. Target levels represent a high expectation for continued service excellence. Comparable-entity data is not available. This measure is being deleted in FY 2013-14. This measure is being replaced by a nearly identical measure (below) which targets a higher level of customer satisfaction. Human Resources endeavors to provide above satisfactory service rather than simply satisfactory service.</p>						
3. Performance Measure: Percentage of departments rating their level of satisfaction with the overall recruitment process as above satisfactory of better.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
New	New	New	New	New	New	85%
<p>What: This measure represents the results of surveys completed by departments at the close of open recruitments as to the level of satisfaction with the overall recruitment process.</p> <p>Why: Recruitment process satisfaction survey results are tracked to determine whether or not the recruitment process is effective in meeting departments' staffing needs. Survey results enable us to identify opportunities to improve the efficiency and effectiveness of recruitments.</p> <p>How are we doing? This measure replaces a nearly identical measure and targets a higher level of customer satisfaction. Human Resources endeavors to provide above satisfactory service rather than simply satisfactory service. The 85% target represents a stretch goal based on historical survey data.</p>						
<p>Department Goal: To provide reliable, high quality internal support services to 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>						
4. Performance Measure: Percentage of County departments that rate Human Resources' service as satisfactory or better relative to timeliness, accuracy, and quality of service (competency). This performance measure is being deleted in FY 2013-14.						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
Accuracy: 100% Competency: 96% Timeliness: 97%	Accuracy: 93% Competency: 93% Timeliness: 93%	Accuracy: 95% Competency: 95% Timeliness: 94%	Accuracy: 89% Competency: 90% Timeliness: 88%	Accuracy:95% Competency:95% Timeliness:95%	Accuracy: 95% Competency: 95% Timeliness: 95%	Deleted
<p>What: The Human Resources department surveys departments annually to determine their level of satisfaction with our staff support relative to accuracy, competency and timeliness (ACT). This measure reflects the results of the department's satisfaction survey.</p> <p>Why: This measure reflects the information gained from the satisfaction survey and allows us to continuously improve our service and support to departments.</p>						
<p>How are we doing? Of 24 respondents to a survey conducted in Summer 2012, 88-90% rated Human Resources as satisfactory or better in a variety of areas. The data for this measure suggests the impact of lean staffing and new employees in Human Resources. Human Resources experienced turnover in key customer service positions in FY 2011-12. New staff are quickly assimilating into their roles, and vacancies have been eliminated, enabling the department to project that we'll meet our target for FY 2012-13. Comparable-entity data is not available. This measure is being deleted in FY 2013-14. This deleted measure is being replaced with the measure below to reflect Human Resources' new focus on the value of strategic business partnerships.</p>						

**Human Resources
Fiscal Year 2013-14 Proposed Budget**

Fund Center 112

<p>Department Goal: Serve as a strategic business partner through providing quality Human Resources expertise and services to 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>5. Performance Measure: Percentage of County departments that rate Human Resources' service as above satisfactory or better in serving as a strategic business partner and providing Human Resources expertise.</p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
New	New	New	New	New	New	70%
<p>What: The Human Resources Department acts as a strategic business partner with County departments to provide innovative, effective, and responsive Human Resource services. Our goal is to attract, select, develop, and retain a talented and diverse workforce so that County departments can achieve their mission, and serve the citizens of the County. The Human Resources department surveys departments annually to determine their level of satisfaction with the quality of service our staff provides. The results of the survey reflect client perception of Human Resources' technical expertise as well as partnership in providing effective solutions based upon strategic and operational needs.</p> <p>Why: This measure reflects the information gained from the satisfaction survey and allows us to continuously improve our service and support to departments.</p> <p>How are we doing? This new measure is replacing the former measure of timeliness, accuracy, and quality of service (competency). This new survey covers a broader set of criteria and reflects Human Resources' new focus on the value of strategic business partnerships. The target level is chosen conservatively because the measure and survey tool used are new (no comparable historic data) and the success threshold is aggressive at above satisfactory or better.</p>						
<p>Department Goal: To provide effective response to, and resolution of, unanticipated challenges to County employment related rules or personnel actions.</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 concluded grievances and appeals resolved prior to Civil Service Commission hearing.</p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
N/A	89%	89%	75%	85%	85%	80%
<p>What: This measure tracks the rate at which Human Resources resolves grievances/appeals (allegations of improper personnel practices by the County) prior to the matter reaching a Civil Service Commission (CSC) hearing.</p> <p>Why: The grievance/appeal resolution rate is a reflection of the ability of Human Resources' professional staff to collaborate with stakeholders, design solutions to challenges, and reach mutually agreeable terms on grievance/appeal matters.</p> <p>How are we doing? There were six grievances/appeals filed in FY 2011-12. Of these six, only one reached a Civil Service Commission hearing, three were resolved prior to hearing, and two remain pending. At the end of FY 2010-11, there were six cases pending. Of these, three were resolved prior to CSC, two remain pending, and one was heard at CSC. As a result, a total of 12 grievances/appeals were addressed in FY 2011-12. Of these 12 grievances/ appeals, eight were resolved, with six (75%) resolved prior to the matter reaching a Civil Service Commission hearing. The remaining four cases addressed in FY 2011-12 are still pending (neither resolved nor heard by the Civil Service Commission). Because certain grievances or appeals are more appropriately heard rather than resolved prior to hearing, a result of 75% resolution represents a high achievement rate. The target resolution rate of 80% represents a continued high expectation for this area of emphasis within Human Resources. Comparable-entity data is not available.</p>						
<p>7. Performance Measure: Number of grievances and appeals filed per 1,000 employees.</p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
New	New	New	New	New	New	Less than 10
<p>What: This measure tracks the number of grievances and appeals filed per 1,000 employees.</p> <p>Why: The grievance/appeal rate is a possible reflection of the quality of Human Resources' policies and/or the conduct of departmental supervision or management. Exemplary Human Resources policies and practices, including HR dept training and consultation off/to departmental supervision and management should minimize the grievance/appeal rate.</p> <p>How are we doing? Historic data reflects that the target of less than 10 is an appropriate target for this measure.</p>						

**Human Resources
Fiscal Year 2013-14 Proposed Budget**

Fund Center 112

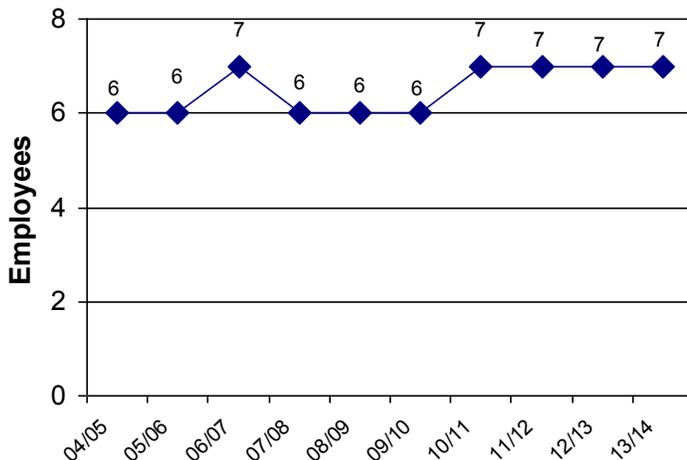
<p>Department Goal: Provide an appropriate level of Human Resources support to enable our strategic business partners to cost-effectively attain their mission and goals.</p> <p>Communitywide Result Link: <input type="checkbox"/> Safe <input type="checkbox"/> Healthy <input type="checkbox"/> Livable <input type="checkbox"/> Prosperous <input checked="" type="checkbox"/> Well-Governed Community</p>						
<p>8. Performance Measure: Number of full-time equivalent Human Resources department staff per 1,000 employees.</p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
6.2	5.8	6.3	6.3	Better than market comparators	6.7	Consistent with Industry Standards
<p>What: This measures the number of Human Resources department full time equivalent (FTE) staffing per 1,000 employees.</p> <p>Why: This data can be compared with other Human Resources departments with similar characteristics to provide one measure of whether or not we are appropriately staffed for providing personnel services.</p> <p>How are we doing? In FY 2011-12, Human Resources had 6.3 FTE per 1,000 employees (15.0 filled FTEs, for a total County employee count of 2,376). Human Resource departments comparable to San Luis Obispo County's (including Placer, Napa, Marin, Santa Barbara and Santa Cruz) had an average Human Resources staffing level of 9.5 FTE per 1,000 employees in FY 2011-12. The fact that the County employs fewer Human Resources staff per 1,000 employees than comparable Human Resource departments suggests the County may be challenged to reach its ultimate goals without additional investment in Human Resources.</p>						

MISSION STATEMENT

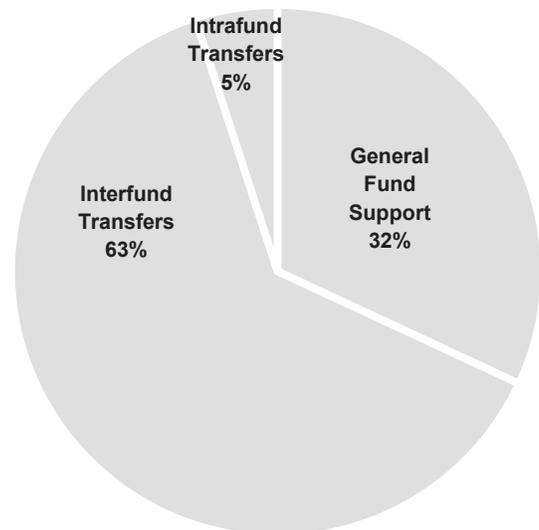
We collaborate with County Departments to protect financial stability and promote safe practices by managing and administering the Safety, Benefit, Workers Compensation, and Liability programs and providing education and training to ensure the health and welfare of all employees and the public we serve.

<u>Financial Summary</u>	2012-13	2012-13	2013-14	2013-14	Change From
	<u>Budget</u>	<u>Projected</u>	<u>Requested</u>	<u>Recommended</u>	<u>2012-13</u>
Interfund	\$ 985,045	\$ 985,045	\$ 982,095	\$ 982,095	\$ (2,950)
**Total Revenue	\$ 985,045	\$ 985,045	\$ 982,095	\$ 982,095	\$ (2,950)
Salary and Benefits	788,781	788,781	783,148	785,309	(3,472)
Services and Supplies	824,876	736,344	768,563	768,563	(56,313)
**Gross Expenditures	\$ 1,613,657	\$ 1,525,125	\$ 1,551,711	\$ 1,553,872	\$ (59,785)
Less Intrafund Transfers	76,108	76,108	77,154	77,154	1,046
**Net Expenditures	\$ 1,537,549	\$ 1,449,017	\$ 1,474,557	\$ 1,476,718	\$ (60,831)
General Fund Support (G.F.S.)	\$ 552,504	\$ 463,972	\$ 492,462	\$ 494,623	\$ (57,881)

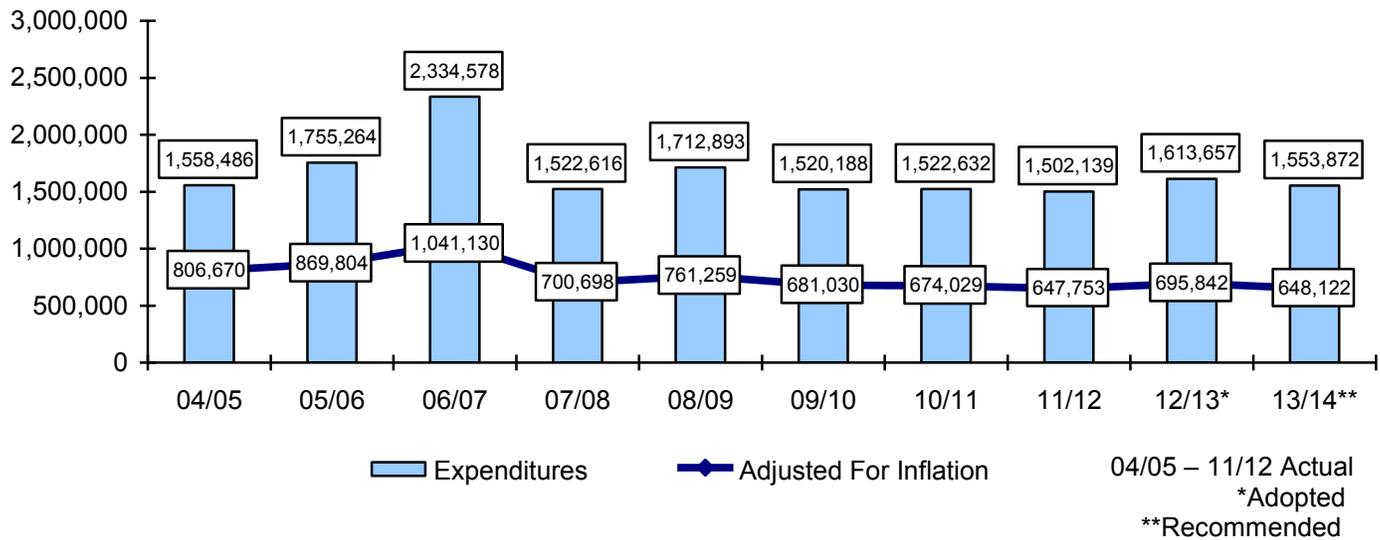
**Number of Employees
(Full Time Equivalent)**



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Risk Management has a total expenditure level of \$1,553,872 and a total staffing level of 7.00 FTE to provide the following services:

Employee Benefits

Provide high quality employee benefit administration services (e.g., health, life, ITS, wellness, etc.) to active employees and retirees.

Total Expenditures: \$289,836 Total Staffing (FTE): 1.20

Safety

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

Total Expenditures: \$210,513 Total Staffing (FTE): 1.75

Liability and Insurance

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

Total Expenditures: \$798,979 Total Staffing (FTE): 1.45

Workers' Compensation

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

Total Expenditures: \$254,544 Total Staffing (FTE): 2.60

COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

The level of General Fund support for this budget is recommended to decrease \$57,881 or 10% compared to FY 2012-13 adopted levels. Revenues are recommended to decrease \$2,950 or less than 1% and total expenditures are recommended to decrease \$60,831 or 3%.

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

Salary and benefits are decreasing \$3,472 or less than 1% due to new employees being hired in at lower pay steps. Services and supplies are decreasing \$56,313 or 6% due to the fact that pollution liability insurance premiums are only paid once every three years and were most recently paid in FY 2012-13, and due to a reduction in the administrative fee that CalPERS charges for administration of the health insurance plans that the County provides to employees. Overall, expenditure reductions do not pose any service level impacts to other departments or to the community.

GOALS AND PERFORMANCE MEASURES

<p>Department Goal: To effectively manage the employee benefit programs (health, life, tax savings, etc.) for County employees and retirees.</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 payroll coordinators that rate the services provided by the Benefits Coordinator as above satisfactory or better. <i>This performance measure is being deleted in FY 2013-14.</i></p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
100%	100%	94%	100%	100%	100%	Deleted
<p>What: In the spring of each year, Risk Management conducts a survey of all payroll coordinators to determine their level of satisfaction with the quality of service provided by the Benefits Coordinator. The survey addresses the following critical service areas: timeliness, accuracy, responsiveness, and trustworthiness of information.</p> <p>Why: The Benefits Coordinator is responsible for educating County payroll coordinators on all aspects of employee benefits. The payroll coordinators, in turn, are responsible for disseminating this information to County employees so they can make informed benefit decisions. Regularly surveying our key customers allows us to gauge the quality of our services and make program improvements as needed.</p> <p>How are we doing? In a survey conducted in Spring 2012, 100% of 15 payroll coordinators responding rated the Benefits Coordinator as satisfactory or better. Similar results are projected for FY 2012-13. This measure is being deleted in FY 2013-14 and is being replaced with the new measure below, which tracks satisfaction of all employees who contact the Benefits Coordinator, rather than tracking the satisfaction of payroll coordinators only.</p>						
<p>Department Goal: To effectively manage the employee benefit programs (health, life, tax savings, etc.) for County employees and retirees.</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>2. Performance Measure: Percentage of County employees who contacted the benefits program and rated the services provided by the Benefits Coordinator as above satisfactory or better.</p>						
08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Adopted	11-12 Actual Results	12-13 Projected	13-14 Target
New	New	New	New	New	New	80%
<p>What: The Human Resources department conducts monthly analysis of survey responses of County employees. The Human Resources department sends a survey to employees who have contacted the Benefits Coordinator by email or phone. The survey evaluates the employees’ level of satisfaction with the service provided. The survey addresses the following critical service areas: timeliness, accuracy, responsiveness, and reliability of information.</p> <p>Why: The Benefits Coordinator is responsible for educating and providing guidance to County employees on all aspects of benefits, and assisting employees in making informed decisions. Regularly surveying our customers allows us to gauge the quality of our services and make program improvements as needed.</p>						

How are we doing? This new measure is replacing the former measure which tracked results from surveys of payroll coordinators only. This new measure tracks a broader customer base, and is more reflective of daily interactions with the benefits program. The target level is chosen conservatively because the measure and survey tool used are new (no comparable historic data) and the success threshold is aggressive at above satisfactory or better.

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

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

3. Performance Measure: Rate of work-related illnesses/injuries per 100 employees as compared to other local government agencies in California.

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
4.06	3.8	4.5	4.5	3.6	3.6	3.6

What: This measure tracks the number of employee illnesses/injuries per 100 employees in comparison to other local government agencies in California. By collecting injury and illness data, we can compare ourselves to statewide average data prepared by the Department of Industrial Relations.

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

How are we doing? The County's illness/injury rate is comparable to the private sector and well below the average for local government agencies of 7.5 per 100 employees, as reported by the Department of Industrial Relations. Top management support for the County's Safety Program, (including training, safety equipment purchases, and hazard mitigation efforts) has resulted in the County reducing its injury rate from a high of 10.3 in FY 2001-02 and FY 2002-03 to its lowest rate of 3.8 in FY 2009-10. The current injury rate reflects that the organization may have reached its natural 'floor' for injury rates, and the 0.7 increase in injuries from FY 2010-11 to FY 2011-12 may represent a statistical ebb & flow near the rate floor. Introduction of the Loss Prevention Initiative (LPI) is intended to lower the natural floor of injury rates, thus the lower targets for FY 2012-13 and 2013-14. Statistics from the LPI show a 10% reduction in workers' compensation claims, suggesting we are on pace to hit the FY 2012-13 target.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
2	1	1	0	0	0	0

What: The Federal and State Occupational Safety and Health Act (OSHA) requires reporting of all serious work-related injuries which it defines as death, loss of limb, 24 hour hospitalization for other than observation, etc. This measure reports the number of employees who experience a serious work-related injury.

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

How are we doing? In FY 2011-12, and so far in FY 2012-13, there were no serious employee work-related injuries. The County always endeavors to achieve zero serious injuries each year. Direct comparable-entity comparison data are not available for this measure.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
942	419	666	1,460	675	1,025	900

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

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

How are we doing? The County experienced a significant jump in the number of lost days in FY 2011-12. Resource reallocation within Human Resources and staffing changes at our Third Party Administrator resulted in reduced success in returning employees to work and early closure of claims. Board approval of a Budget Augmentation Request to restore the Return to Work Coordinator position in FY 2012-13 will provide the department the resources needed to reverse this trend. Note that the ground lost on this program will have an impact that extends beyond FY 2011-12 and FY 2012-13. Projections for FY 2012-13 are over the currently stated target. Direct comparable-entity comparison data are not available for this measure.

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

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

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
County: .60 EIA average: .98	County: .65 EIA average: .93	County: .57 EIA average: .83	County: .65 EIA average: .77	Better than the EIA average	County: .57 EIA average: .78	Better than the EIA average

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

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

How are we doing? Based on our 2012 actuarial, claim frequency has decreased compared to FY 2011-12 levels. The County's liability program is performing well and we remain well below the CSAC-EIA average. The County's number of liability claims per \$1 million of payroll has consistently been below the CSAC-EIA average. Due to continuing loss prevention efforts we anticipate that trend will continue.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
County: \$9,290 EIA average: \$7,280	County: \$9,460 EIA average: \$7,700	County: \$12,280 EIA average: \$8,990	County: \$10,350 EIA average: \$8,760	Better than the EIA average	County: \$8,720 EIA average: \$8,967	Better than the EIA average

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

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

How are we doing? Based on the November 2012 actuarial study, average loss per claim continues to decrease from FY 2010-11 levels. Risk Management will meet the FY 2012-13 target due to the County achieving favorable outcomes in several recent litigated matters, and due to the fact that program fundamentals are sound. We anticipate reducing our average loss per claim with continued loss prevention efforts.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
County: .56 EIA average: .69	County: .62 EIA average: .67	County: .70 EIA average: .67	County: .67 EIA average: .62	Better than the EIA average	County: .50 EIA average: .64	Better than the EIA average

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

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

How are we doing? Based on the November 2012 actuarial, the County's loss rate per \$100 of payroll decreased by about 35% bringing the County below the EIA average. Continued loss prevention efforts should assist in reducing claim severity.

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

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

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
County: \$1.43 EIA average: \$2.25	County: \$1.38 EIA average: \$2.10	County: \$1.27 EIA average: \$2.06	County: \$1.13 EIA average: \$2.08	Better than the EIA average	County: \$.91 EIA average: \$2.01	Better than the EIA average

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

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

How are we doing? The County continued to see a decline in its loss rate per \$100 of payroll. We continue to remain below the CSAC-EIA average. Low claim numbers as affected by safety and loss prevention efforts contribute to the decline in dollars lost.

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

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
County: 6.6 Comp Co. avg.: 9.6	County: 6.6 Comp Co. avg.: 8.1	County: 6.9 Comp Co. avg.: 8.4	County: 7.0 Comp Co. avg.: 9.0	Better than the Comp Co. average	County: 6.2 Comp Co. avg.: 8.8	Better than the Comp Co. average

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

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

How are we doing? The December 2011 TCS reports show the claim frequency for the County has been trending downward for several years. The report shows that the County has the lowest frequency of the four comparably sized and organized counties. Safety and loss prevention efforts contribute to a low level of Workers' Compensation claims, and claim frequency is projected to decrease through FY 2012-13.

11. Performance Measure: Average dollars loss per Workers' Compensation claim.

08-09 Actual Results	09-10 Actual Results	10-11 Actual Results	11-12 Actual Results	12-13 Adopted	12-13 Projected	13-14 Target
County: \$5,440 EIA average: \$10,290	County: \$5,730 EIA average: \$10,790	County: \$6,170 EIA average: \$10,940	County: \$5,910 EIA average: \$11,770	Better than the EIA average	County: \$5,260 EIA average: \$11,902	Better than the EIA average

What: This measures the average dollars of loss per workers' compensation claim for a comparison to the average dollars of loss experienced in other Counties as reported by the CSAC-EIA average. The average loss projected by the CSAC-EIA actuary is based on historical loss data and represents ultimate final loss costs for claims from each fiscal year. CSAC-EIA insures the majority of California public agencies and is the second largest public entity property and casualty pool in the nation.

Why: Tracking the average dollars lost per workers' compensation claim provides a measurement of the effectiveness of the County's workers' compensation program as compared to other counties. An effective workers compensation program limits the number and cost of workers' compensation claims.

How are we doing? While other counties' claim costs have continued to rise with the overall rise in health care costs, San Luis Obispo County experienced a slight rise in FY 2010-11 but has again been able to maintain control on these costs. San Luis Obispo County's claim costs are less than half of the CSAC-EIA average. The Workers Comp program, including in-house staff, a Third Party Claims Administrator, and a third party management consultant, is recognized state-wide as a model program. Proactive claims management contributes to low dollar loss per claim. The County adopted and effectively implemented a Return to Work program sooner than many other CSAC-EIA members. The maturity of our program contributes to our lower cost per claim than the EIA average.

**Self Insurance
Fiscal Year 2013-14 Proposed Budget**

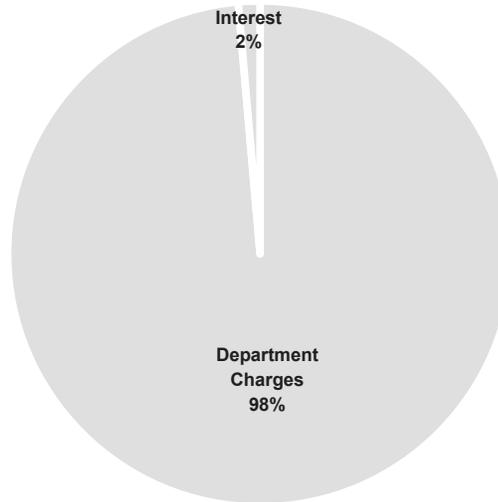
Fund Centers 408 -412

PURPOSE STATEMENT

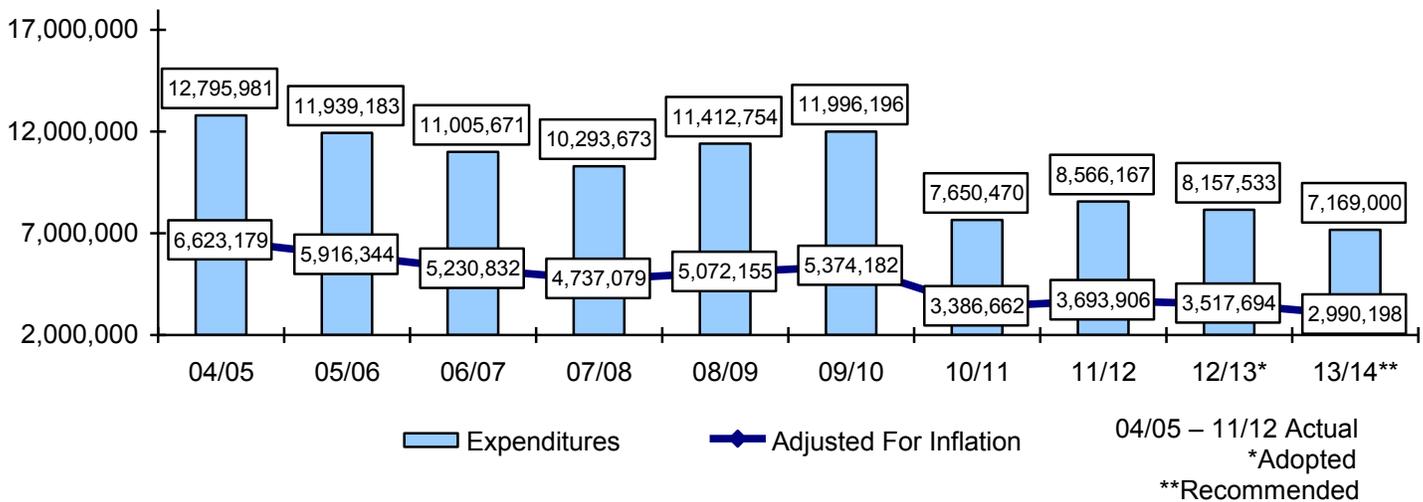
Fund Centers 408-412 comprise the County's self-insurance budget and provide funding for Workers Compensation (Fund Center 408), Liability Self-Insurance (Fund Center 409), Unemployment Insurance (Fund Center 410), Medical Malpractice (Fund Center 411) and Self-Insured Dental (Fund Center 412). Funding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

OPERATING DETAIL (1)	2011-12 ACTUAL (2)	2012-13 ESTIMATED (3)	2013-14 PROPOSED ESTIMATES (4)	2013-14 RECOMMENDED ESTIMATES (5)
OPERATING REVENUES				
Charges for current services	7,251,331	7,497,000	7,497,000	7,497,000
TOTAL OPERATING REVENUES	7,251,331	7,497,000	7,497,000	7,497,000
OPERATING EXPENSES				
Services and Supplies	2,951,718	2,580,000	2,580,000	2,580,000
Overhead	362,920	363,000	363,000	363,000
Insurance Premiums	853,326	854,000	854,000	854,000
Insurance Benefit Pmts	3,285,419	3,372,000	3,372,000	3,372,000
Claims	75,132	0	0	0
Outside Legal	0	0	0	0
TOTAL OPERATING EXPENSES	7,528,515	7,169,000	7,169,000	7,169,000
OPERATING INCOME (LOSS)	(277,184)	328,000	328,000	328,000
NON-OPERATING REVENUES (EXPENSES)				
Interest	132,378	130,000	130,000	130,000
Other Income	0	0	0	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	132,378	130,000	130,000	130,000
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	(144,806)	458,000	458,000	458,000
Transfers in (out)	(46,296)	(45,000)	(45,000)	(45,000)
CHANGE IN NET ASSETS	(191,102)	413,000	413,000	413,000
Net assets - beginning	7,313,570	7,122,468	7,535,468	7,535,468
Net assets - ending	<u>7,122,468</u>	<u>7,535,468</u>	<u>7,948,468</u>	<u>7,948,468</u>

Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Self Insurance has a total expenditure level of \$12,017,217 to provide the following services:

Workers' Compensation

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

Total Expenditures: \$6,244,078 Total Staffing (FTE): *

Liability Self-Insurance

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

Total Expenditures: \$3,371,489 Total Staffing (FTE): *

Unemployment Insurance

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

Total Expenditures: \$320,654 Total Staffing (FTE): *

Medical Malpractice

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

Total Expenditures: \$303,591 Total Staffing (FTE): *

Dental Plan

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

Total Expenditures: \$1,777,405 Total Staffing (FTE): *

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

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

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

Industry norms, including guidelines set by the County's excess insurance carrier, the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), suggest that fund reserve levels for these programs should be maintained between 70% (minimum) and 90% (conservative) confidence levels. The programs in the self-insurance budget have been well managed in recent years, and have been on a good financial foundation. Because of this, it has been reasonable and appropriate to minimize charges to departments during recent difficult budget years, while still maintaining adequate reserve levels and a confidence level of 70-85%. Setting and maintaining of reserve levels is done in conjunction with annual actuarial studies. In FY 2013-14, charges to departments for their share of worker's compensation costs are recommended return to normal levels to maintain an acceptable level in the reserves.

Because the Self Insurance Programs are Internal Service Funds, the State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, Service Programs, and the 10 year Expenditure chart use the information and data from the Schedule 10.

For consistency with the manner in which changes in other Fund Centers are explained, this narrative provides a comparison of the FY 2013-14 recommended budget with the FY 2012-13 adopted budget. Variances between the FY 2013-14 recommended budget and the FY 2012-13 adopted budget are described by Fund Center as follows:

Fund Center 408- Workers Compensation

Revenues are recommended to increase \$2,546,000 or 109% compared to FY 2012-13 adopted levels. As noted above, charges to departments were temporarily reduced in FY 2009-10 through FY 2012-13 in an effort to mitigate the impact of the budget gap to departments. Due to the need to maintain appropriate reserves for this fund center, charges to departments are set to generate \$4,800,000 in FY 2013-14. The recommendation to increase charges in FY 2013-14 will yield a 72% confidence level for this fund.

Expenditures are recommended to increase \$683,065 or 12% compared to FY 2012-13 adopted levels due largely to an expected \$175,000 increase to the County's worker's compensation insurance premium, based on an estimate provided by CSAC-EIA, as well as an expected \$500,000 increase to worker's compensation payments due to the recent passage of Senate Bill 863 which is expected to increase medical costs, eliminate scaled permanent disability payments and increase permanent disability rates by 40%.

Fund Center 409- Liability

Revenues are recommended to decrease \$1,000,000 or 66% compared to FY 2012-13 adopted levels due to decreased liability insurance billings to departments which have been set to generate \$500,000 in FY 2013-14. Liability insurance charges are recommended to decrease to partially offset the increased worker's compensation charges noted above. Despite this decrease, the fund has sufficient reserves to maintain an 73% confidence level.

Expenditures are recommended to decrease \$251,846 or 6% compared to FY 2012-13 adopted levels due to an expected \$175,000 decrease to the County's liability insurance premium, based on an estimate provided by the CSAC-EIA. An \$86,876 decrease in overhead charges also contributes to the overall decrease in recommended expenditure levels.

Fund Center 410- Unemployment Insurance

Revenue is flat compared to FY 2012-13 adopted levels. Expenditures are recommended to increase \$1,140 or less than 1% compared to FY 2012-13 adopted levels. This fund pays for a portion of the staff costs in Fund Center 105- Risk Management, to reimburse that fund center for staff time spent on processing unemployment insurance claims. The reimbursement amount is increasing in FY 2013-14 due to regular pay step increases for staff who handle unemployment insurance claims.

Fund Center 411- Medical Malpractice

Revenues are recommended to increase \$35,000 or 15% compared to FY 2012-13 adopted levels due to an increase in medical malpractice insurance charges charged out to departments in anticipation of slightly higher liabilities in the near future. Expenditures are recommended to increase \$17,233 or 6% compared to FY 2012-13 adopted levels due to an expected \$15,000 increase to the County's medical malpractice insurance premium, based on an estimate provided by the CSAC-EIA. A \$1,897 increase in overhead charges also contributes to the overall increase in recommended expenditure levels.

Fund Center 412- Self-Insured Dental

Revenues are recommended to remain flat compared to FY 2012-13 adopted levels, at \$1,660,850. Expenditures are recommended to increase by \$2,484 or less than 1% compared to FY 2012-13 adopted levels due to overhead charges.