Recommended Budget Hearings Schedule
Fiscal Year 2013-15 Budget
September 16, 17 and 18, 2013

WEDNESDAY SEPTEMBER 18, 2013

9:00	**Administration and Fiscal** Assessor-County Clerk-Recorder – Mark Church, Assessor-County Clerk- Recorder Controller – Bob Adler, Controller Information Services Department – Jon Walton, Director County Counsel – John Beiers, County Counsel County Manager / Clerk of the Board – John L. Maltbie, County Manager Board of Supervisors – John L. Maltbie, County Manager Grand Jury – John L. Maltbie, County Manager **BREAK**
1:30	**Social Services** Human Services Agency – Beverly Johnson, Director Department of Child Support Services – Iliana Rodriguez, Director **Closing Remarks** Public Comment Closing Remarks - John L. Maltbie, County Manager Wrap-Up and Resolution Approving the Recommended Budget

Assessor-County Clerk-Recorder

**Recommended
FY 2013-14 & FY 2014-15 Budgets
September 18, 2013**

Mission Statement

The mission of the Assessor-County Clerk-Recorder is to ensure equitable treatment of County property owners by accurate and fair valuation of land, improvements and businesses; register County citizens to vote and efficiently conduct honest elections; and create an accurate public record of recorded transactions relating to people and property within San Mateo County.

Mandated Services

Appraisal Services
- Assess all tangible real and business property in the county
- Produce accurate and timely assessment rolls

County Clerk-Recorder
- Record all documents relating to land records
- Maintain and issue all vital records (birth, death and marriage)
- Issue professional registrations (e.g. notaries public, process servers)

Elections
- Conduct federal, state and local elections
- Register voters and maintain a voter registration file

Administration & Support
- Provide administrative direction, planning, budget and technology support to all divisions
- Process Loyalty Oaths and Conflict of Interest Code filings

Assessor-County Clerk-Recorder

- FY 2013-14 Summary of Budget and Position Changes

|	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	12,176,002	14,069,769	1,893,767	15.6%
Total Requirements	20,998,820	23,348,336	2,349,516	11.2%
Net County Cost	8,822,818	9,278,567	455,749	5.2%
Total Positions	117.00	117.00		

Assessor-County Clerk-Recorder

- FY 2014-15 Summary of Budget and Position Changes

|	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	14,069,769	10,620,017	(3,449,752)	-24.5%
Total Requirements	23,348,336	20,035,911	(3,312,425)	-14.2%
Net County Cost	9,278,567	9,415,894	137,327	1.5%
Total Positions	117.00	117.00		

Major Accomplishments

Appraisal Services
- Produced a $156.1 billion assessment roll; increased the roll by $8.8 billion; and, processed all real and personal property activities on schedule

Total Net Assessed Value
(2008 to 2013)
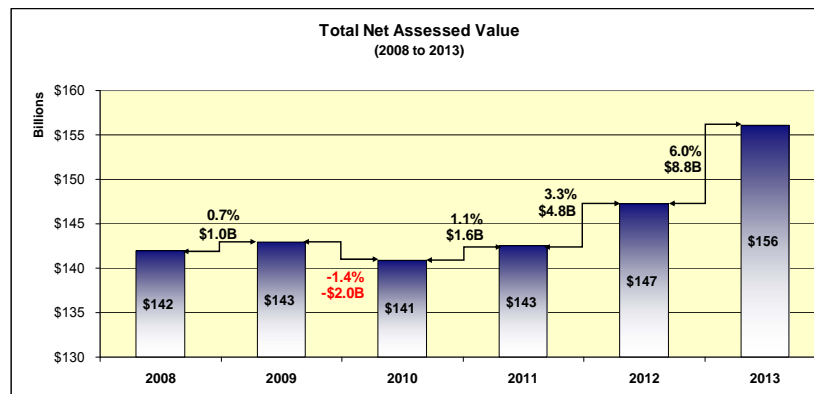
Major Accomplishments (cont'd)

Appraisal Services
- Preserved $4.7 billion due to assessment appeal filings

Assessed Value
(At Risk vs. Preserved)

$5.6B $4.7B

At Risk
Preserved

2012
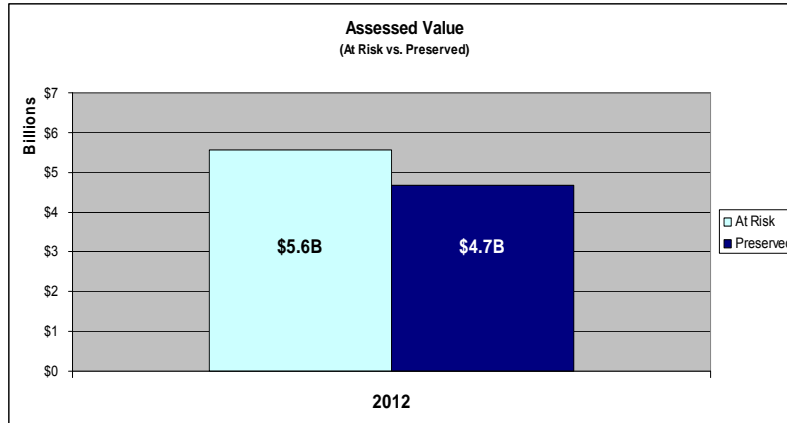
Major Accomplishments (cont'd)

Appraisal Services
- Reduced number of pending Appeals and Declines due to additional 5 appraisers

Total Pending Appeals

2,943 3,052 2,710 2,838 2,504 2,490 3,363 3,682 4,697 4,567

2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13
Roll Year

Decline In Value Reviews (Prop 8)

1,968 477 514 1,380 29,349 31,124 36,819 36,516 33,090

2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13
Roll Year
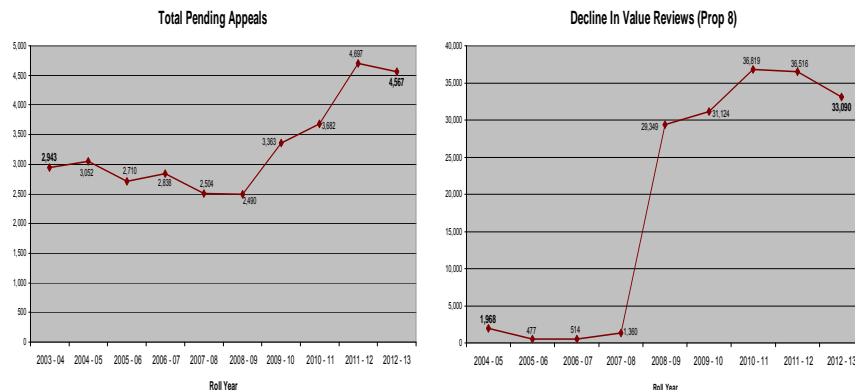
Major Accomplishments (cont'd)

Appraisal Services

- Reviewed 33,090 parcels in the decline in value program, of which 17,887 parcels were partially restored and 4,920 parcels were fully restored, resulting in net increase of $2.58 billion in restored value compared to prior roll year

Total Prop 8 Roll Value
2012 vs 2013

Number of Parcels Restored
2012 to 2013
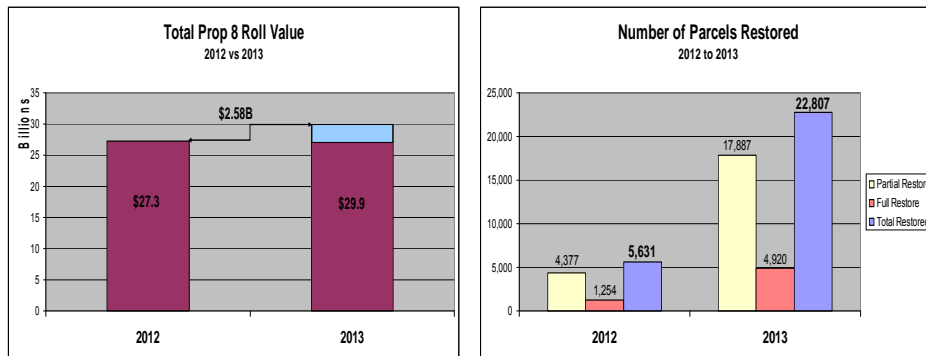
Major Accomplishments (cont'd)

County Clerk-Recorder

- Expanded electronic recording to national submitters resulting in an increase from 679 eRecorded documents in FY 2010-11 to nearly 19,000 in FY 2011-12 and over 41,000 in FY 2012-13
- Commenced multi-year project to convert microfilm to digital images and redact social security number from historical records
- Expanded hours and services in the Clerk's office to accommodate the increased number of couples after the U.S. Supreme Court ruling regarding same-sex marriages

Number of eRecording
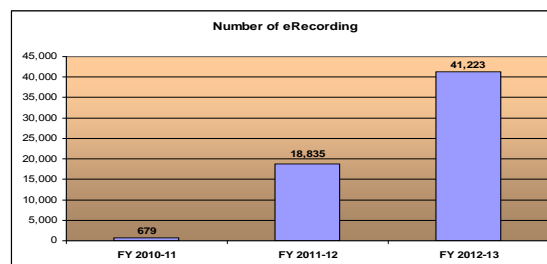
Major Accomplishments (cont'd)

Elections
- 52.89% of Voter Registrations received during the November 2012 Presidential Election were through online registration
- First time in County history, more ballots were cast by mail than at the polls for a Presidential Election, 57.47%
- Voter turnout in San Mateo County for the November 2012 Presidential Election was 79.83%, highest since 1992

Administration & Support
- Expansion of electronic content management (ECM)
- Implemented data storage and backup, and replaced obsolete servers
- Hired an Assistant Assessor-County Clerk-Recorder and 5 Appraisers
- Completed recruitment for IT Director

Major Budget Challenges

Appraisal Services
- Working with an aging Assessor system application which is not compatible with modern technology
- Recruitment and retention of highly qualified professional and technical personnel
- Workload remains high – e.g., 4,500 outstanding appeals and an average of 1,700 new appeals projected to be filed every year for the next three years, 33,000+ parcels pending Decline in Value review, etc.
- Genentech appeals continue to require substantial resources and staffing
- Value gap between factored base year value and assessed value continues to be significant

Major Budget Challenges

Prop 8 Declines
(Value Difference - Assessed Value to Factored Base Year Value)

Value gap between factored base year value and assessed value
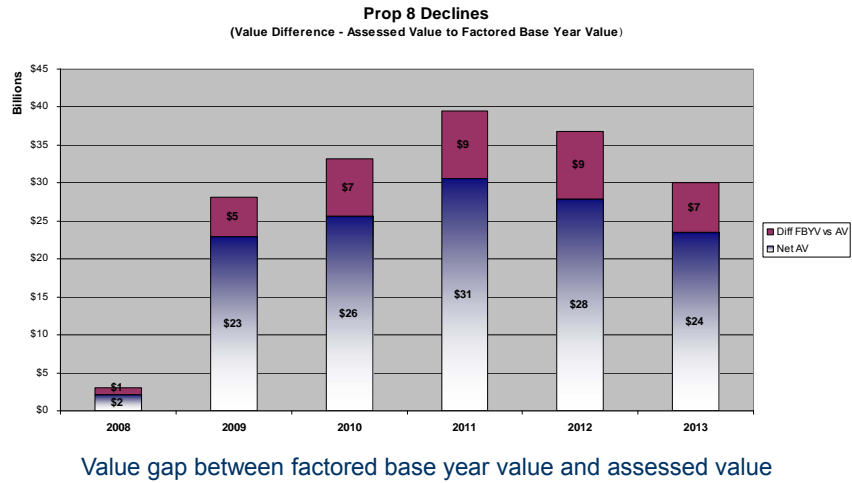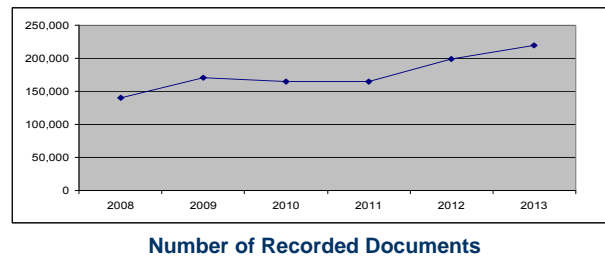

Major Budget Challenges

County Clerk-Recorder
- Maintain level of service while handling the increased workload of recorded documents
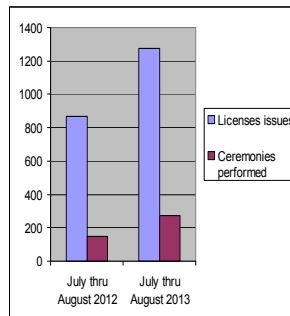

Number of Recorded Documents

Major Budget Challenges (cont'd)

County Clerk-Recorder
- Maintain level of service while handling the increased workload of in issuing marriage licenses.

Major Budget Challenges (cont'd)

Election
- Address the growing number of Vote by Mail and Provisional Ballots
- Same day voter registration

Major Goals

Appraisal Services
- Assessment/Property Tax System – Replace our existing Assessment / Property Tax System with a new, customized state of the art system. Develop RFP and procurement standards, and develop staffing allocations for system implementation and integration
- Improve operational efficiencies to mitigate the increased volume of assessment appeals
- Create an annual Assessor's Report to communicate our long-term planning and strategy and our accomplishments over the past year.

Clerk-Recorder
- Historical preservation of records and maps dating back to 1856
- Upgrade existing systems

Major Goals

Elections
- Purchase and install new integrated telephone system to effectively respond to the high volume of voter and campaign inquiries in an election
- Evaluate whether to retain or replace our current electronic voting system

Administration & Support
- Continue to implement data storage and backup, and replace obsolete servers
- Continue to work with Human Resources Department on staffing and succession planning

Questions?

Controller

**Recommended
FY 2013-14 & FY 2014-15
Budgets**

Controller FY 2013-14 Budget

Summary of Budget and Position Changes

	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	3,672,849	3,358,867	(313,982)	(9%)
Total Requirements	9,880,084	9,765,184	(114,900)	(1%)
Net County Cost	6,207,235	6,406,317	199,082	3%
Total Positions	42	42	0	0

Controller FY 2014-15 Budget

Summary of Budget and Position Changes

	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	3,358,868	3,032,499	(326,368)	(10%)
Total Requirements	9,765,185	9,489,038	(276,146)	(3%)
Net County Cost	6,406,317	6,456,539	50,222	0.8%
Total Positions	42	42	0	0

Controller Accomplishments

- Award-winning PAFR and CAFR

- Developed automated processes to review transactions to identify potential internal control issues

- Completed 24 audits and other engagements

Controller Accomplishments - cont'd

- Added internal controls (i.e fraud prevention) training into our IFAS courses

- Implemented 24 x 7 scheduling and time capture capabilities at SMMC, in collaboration with ISD and HR

- Worked with ISD, HR and CMO to select vendor for new HR/Payroll system

Controller Accomplishments - cont'd

- Integrated SMMC's purchasing and materials management system to County's accounting system for future countywide use

- Began collaboration to consolidate property tax systems

- Started implementation of ePayables

- Complied with new RDA statutes

Controller
Met Performance Measures

- 97.5% of survey respondents rated Controller services good/excellent

- CAFR issued with unqualified opinion and received GFOA award for excellence in reporting

- IFAS system available 99.5%

Controller
Met Performance Measures - cont'd

- Monthly closings performed 100% on time

- 98% of payroll checks direct deposited

- Implemented six process improvements resulting in significant efficiencies.

Controller Major Initiatives

- Increase use of ACL to automate analysis of financial transactions

- Conduct best practices study of audit operations

- Continue to produce award-winning CAFR and PAFR

Controller Major Initiatives - cont'd

- Publish Open Checkbook

- Complete pilot project to automate County's accounts payable processes

- Major upgrade to IFAS accounting system

Controller Major Initiatives - cont'd

- Participate in requirements gathering for countywide property tax system

- Implement new pension plan and other new GASBs (accounting standards)

- Work with HR and ISD to implement new HR/Payroll system (19 months)

Controller

Questions?

Information Services

Recommended
FY 2013-14 & FY 2014-15
Budgets

1

Performance Results for FY 2012-13

- Accomplishments
  - Social Media Policy
  - Open Data Portal
  - Virtual Desktop Pilot
  - ERP System Selection
  - Probation Case Management System Selection
  - Enterprise Agreement with VMware, Microsoft

- Performance Metrics
  - 80% / 90% of Med and Large IT Projects on time / within budget
  - 90% Agreements processed timely
  - 1,473 Radio subscribers
  - 71% of County devices managed through ISD Desktop SLA
  - 45 Data sets available on the Open Data portal

2

Technology Trends that will impact San Mateo County

- Mobility & Bring Your Own Device (BYOD)
  - Many employees will want to use their own devices
- Social Media
  - Residents and staff will engage in real time using mobile social tools
- Open Data and Public Participation
  - Unlocking data will enable residents to work as partners with government.
- Government "Cloud" Services
  - The use of "Cloud" services will continue to grow as systems are replaced or implemented.
- Many Systems are Aging or at End of Life (5-15 years)
  - CJIS, Payroll, Web, Tax / Assessor's System, Email, Phones, etc.
- Security and Confidentiality Needs will Continue to Increase
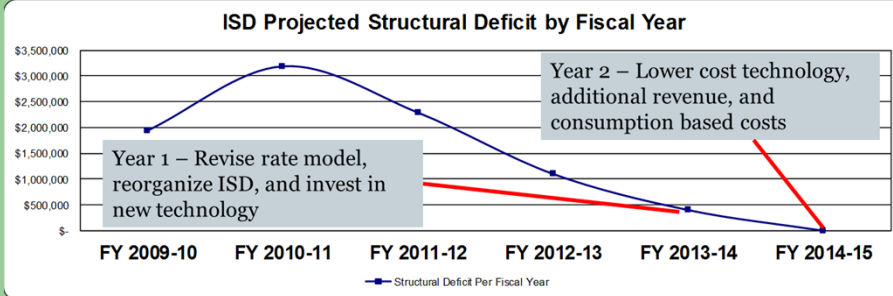
3

ISD Priorities for FY 2013-15

- Eliminate deficit by FY 2014-15
- Improve Customer Satisfaction
- Implement New Technology
- Deliver Projects On Time & On Budget
- Standardize "Core IT Services"
- Partner with Departments to Control Costs

4

Two Year Financial Plan

ISD Projected Structural Deficit by Fiscal Year

Year 2 – Lower cost technology, additional revenue, and consumption based costs

Year 1 – Revise rate model, reorganize ISD, and invest in new technology

Structural Deficit Per Fiscal Year

1. Create new rate model (Core, Per Unit, and Consumption)
2. Review Countywide IT contracts to avoid duplicate spending
3. Invest to create new and lower cost long-term services

5

New ISD "Hybrid" rate model (Core, Assets, and Consumption)

"IT Core" is like roads (or networks). Everyone pays for them whether you use them or not. They are expensive to build, need to be maintained and eventually replaced.

"IT Assets" are like cars (or PCs). You determine the model, options and cost. It needs to be maintained. It depreciates and eventually needs to be replaced.

"IT Consumption" is like gas (or data storage). Everyone pays for how much they actually use as it relates to their assets.

6

Performance Metrics for FY 2013-15

- Percent of Customers rating overall average Satisfaction with ISD as Satisfactory or Better
- Percent of Medium and Large ISD Projects completed on time/within budget
- Percent of Contracts and Agreements Processed within Established Guidelines
- Percent of Mobility Device Plans Managed by ISD
- Staff time to Process a Vendor Invoice
- Number of radio subscribers
- Number of Virtual Desktops (VDI)

7

Performance Metrics for FY 2013-15

- Percent of ISD managed servers virtualized
- ISD Managed Database Availability
- Percent of Devices Managed by Desktop SLA (virtual or physical)
- Number of Service Desk Tickets Closed (incidents-INC, requests-REQ and Total-TOT)
- Number of ITSP projects funded by the Board
- Number of personal devices managed by ISD
- Number of data sets available on the open data portal

8

Major Budget Issues and Projects

ISD

- **Budget Challenges**
  - Older technology must be replaced with new systems.
  - Reset rates to reflect new technology and usage.
  - Balance full time staff with contractors.
  - Create long term replacement strategies for aging technology.

- **Projects**
  - Workday ERP
  - Criminal Justice System
  - Website
  - Tax & Assessor System
  - Service Desk Redesign
  - Email and Office
  - Virtual Desktops
  - Network & WiFi
  - Mobility & Security
  - IT Reclassification
  - Countywide Strategic Plan

9

Measure A and Agile Workforce

ISD

- **Measure A**
  - ISD network rates are currently set to only "fix" issues not to replace the system over time.
  - The network is the backbone on which all new systems will depend on to connect.
  - The $6M investment in the network will significantly improve the speed and reliability of the network.

- **Agile Workforce**
  - ISD is a pilot department for Agile Workforce.
  - The Workday ERP project employs a number of Agile staffed positions to ensure best balance of the successful implementation and ongoing support.
  - Agile staffing is a key component to ensure the implementation of projects and improving operational support.

10

Information Services

- FY 2013-14 Summary of Budget and Position Changes

	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	$23,395,507	$25,469,013	$2,073,506	9%
Total Requirements	$23,395,507	$25,469,013	$2,073,506	9%
Net County Cost	-	-	-	-
Total Positions	131	115	(16)	(12%)

11

Information Services

- FY 2014-15 Summary of Budget and Position Changes

	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	$25,469,013	$18,456,803	($7,012,210)	(28%)
Total Requirements	$25,469,013	$18,456,803	($7,012,210)	(28%)
Net County Cost	-	-	-	-
Total Positions	115	115	-	-

12

Questions and Discussion

13

COUNTY COUNSEL

**Recommended
FY 2013-14 & FY 2014-15
Budgets**

1

Mission Statement

➢ Provide high quality legal services to the Board of Supervisors, elected officials, all County departments and agencies, boards and commissions, various school districts, special districts, and other public agencies allowing them to carry out their responsibilities in a manner fully consistent with the law.

➢ Provide legal representation to clients in disputes before administrative agencies and the courts with the goal of achieving the best results for our clients.

2

Performance: Recent Accomplishments

- Measure A
- RDA dissolution, ERAF and VLF
- County Jail and South County Clinic construction
- No guns in County parks
    (Calguns Foundation v. County of San Mateo)
- Reusable Bag Ordinance
- Circle Star lease

3

Performance: Recent Accomplishments

- Significant Federal & State legislation
    (i.e., ACA, PEPRA, public safety realignment)
- Impact litigation
- Information sharing taskforce
    (*Beyond Newtown*)
- Regional and statewide leadership in County Counsels' Association

4

County Counsel

- FY 2013-14 Summary of Budget and Position Changes

	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	$6,443,692	$5,944,639	($499,053)	(7.7%)
Total Requirements	$9,914,106	$9,953,177	$39,071	(0.4%)
Net County Cost	$3,470,414	$4,008,538	$538,124	15.5%
Total Positions	40	42	2	5%

County Counsel

- FY 2014-15 Summary of Budget and Position Changes

	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	$5,944,639	$5,414,918	($529,721)	(8.9%)
Total Requirements	$9,953,177	$9,539,750	($413,427)	(4.1%)
Net County Cost	$4,008,538	$4,124,832	$116,294	2.9%
Total Positions	42	42	0	0%

Major Budget Issues

Confronting challenge of providing high quality legal services at current staffing levels and billing rates by:

Leveraging technology

- to decrease expenses
- to increase efficiency

Two-Year Plan

How the Proposed Budget Will Achieve Future Performance Goals

- Continue to provide high quality legal services as measured by legal services performance surveys
- Continue to provide legal services efficiently in comparison to other counties

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Performance: Future Goals

- Maintain measureable client satisfaction rate at 95% or better
- Utilize technology to increase efficiency and responsiveness
- Create leadership opportunities
- Implementation of the Collaborative Performance Management System (CPMS)

9

County Counsel

- Conclusion

County Manager/ Clerk of the Board

Recommended FY 2013-14 & FY 2014-15 Budgets

Program Budgets in CMO/Clerk of Board

- **County Management**

- **Clerk of the Board**

- **Special Projects and Grants**
  - Energy Upgrade CA
  - Connect Redwood City and Bay Area Bike Share
  - Center for Continuous Process Improvement (LEAN)

- **Real Property (in Community Services)**

- **Workforce Investment Program**

Accomplishments

- Achieved AAA credit ratings
- Leased Circle Star property
- Measure A proposals and dashboards
- Board meeting videos on YouTube
- Open Data Policy with ISD
- Implemented Supervisorial District Lines Advisory Committee resources
- Advocated for insufficient ERAF (in-lieu VLF) and funding for Maple Street Correctional Center
- Implemented Energy Upgrade, Bike Share, and Connect Redwood City programs

Two-Year Plan and Priorities

- Agile Organization
- Shared Vision 2025 Performance Dashboards and performance reviews
- Open Government / Civic Engagement
- Capital Planning and Economic Development
- Maple Street Correctional Center Planning/Financing
- Two-Year Budget Implementation
- Automation of Boards and Commissions agenda and member management
- Automation of Assessment Appeals process
- North Fair Oaks Forward Initiative
- Digitize all Historic Board Meeting Documents

Performance Goals

- 90% customer satisfaction rating - County services
- 80% outcome, productivity and benchmarks meeting targets for all County programs
- AAA credit ratings maintained
- 100% Board satisfaction - Clerk of Board services
- 100% Board agenda items published online/on time
- 484 metric tons - CO_2e reductions
- 90% Continuous Process Improvement (LEAN) events resulting in increased productivity and/or reduced processing time

Agile Pilot – Fellowship Program

- Expands Policy, Innovation and Engagement Fellowship program
- Recent college graduates to work as part of a team, undertake professional work assignments
- Will enhance partnerships with local universities
- Will utilize Fellows for a 1-3 year period for sustainability, policy and performance management, and community outreach and engagement assignments

Work delivery option: Extra Help

Major Budget Changes

Fiscal Year 2013–14:
- Transfers $3 million Second Chance/Achieve 180 grants to Probation Department, including 1 position
- Transfers Workforce Investment program from HSA (21 positions)
- Transfers Web position and budget to ISD
- Adds 2 grant-funded Energy Upgrade positions
- Funding for Rotational Analysts for budget and performance assignments

Major Budget Changes

FY 2013–14 (continued):
- Funding for Continuous Process Improvement (LEAN)
- Funding for Automating Assessment Appeals Process
- Increases in salary/benefits including merit increases, retirement, health benefit costs
- Scheduled replacement of PCs, equipment

Fiscal Year 2014–15:
- Removal of one-time equipment purchases
- Elimination/reduction of grant funding
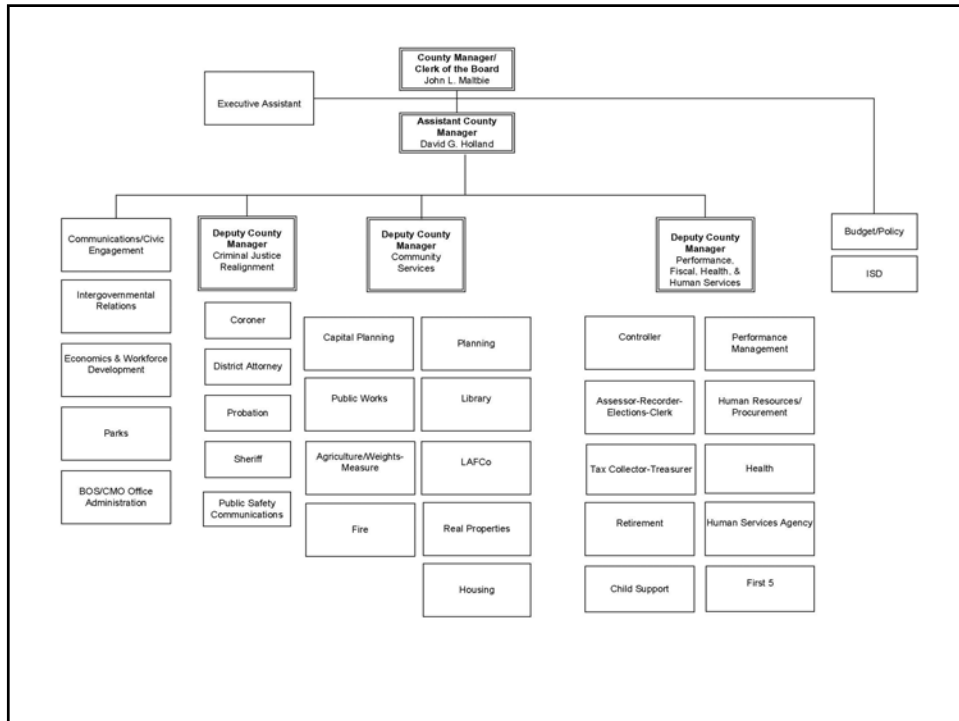
County Manager/Clerk of Board

FY 2013-14 Summary of Budget and Position Changes

	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	$13,344,756	$6,718,381	($6,626,375)	(49.6%)
Total Requirements	$18,501,495	$14,002,608	($4,498,887)	(24.3%)
Net County Cost	$5,156,739	$7,284,227	$2,127,488	41.3%
Total Positions	42	42	0	0

County Manager/Clerk of Board

FY 2014-15 Summary of Budget and Position Changes

	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	$6,718,381	$6,602,154	($116,227)	(1.7%)
Total Requirements	$14,002,608	$13,939,430	($63,178)	(0.5%)
Net County Cost	$7,284,227	$7,337,276	$53,049	0.7%
Total Positions	42	42	0	0

THANK YOU!

Board of Supervisors

**Recommended
FY 2013-14 & FY 2014-15
Budgets**

Performance Goals

- 80% of Shared Vision 2025 community impact goals met or moving in the right direction

- 100% of Measure A performance goals met

Major Budget Changes

Fiscal Year 2013–14:
- No major changes.

Fiscal Year 2014–15:
- No major changes.

Board of Supervisors

- FY 2013-14 Summary of Budget and Position Changes

	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	$452,670	$539,201	$86,531	19.1%
Total Requirements	$3,829,985	$4,112,914	$282,929	7.3%
Net County Cost	$3,377,315	$3,573,713	$196,398	5.8%
Total Positions	20	20	0	0

Board of Supervisors

● FY 2014-15 Summary of Budget and Position Changes

	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	$539,201	$529,330	($9,871)	(1.8%)
Total Requirements	$4,112,914	$4,144,867	$31,953	0.8%
Net County Cost	$3,573,713	$3,615,537	$41,824	1.2%
Total Positions	20	20	0	0

Grand Jury

**Recommended
FY 2013-14 & FY 2014-15
Budgets**

Grand Jury

- FY 2013-14 Summary of Budget and Position Changes

	FY 2012-13 Revised	FY 2013-14 Recommended	Amount Change	Percent Change
Total Sources	$0	$0	$0	0%
Total Requirements	$524,357	$524,357	$0	0%
Net County Cost	$524,357	$524,357	$0	0%
Total Positions	0	0	0	0

Grand Jury

- FY 2014-15 Summary of Budget and Position Changes

	FY 2013-14 Recommended	FY 2014-15 Recommended	Amount Change	Percent Change
Total Sources	$0	$0	0	0%
Total Requirements	$524,357	$504,425	0	0%
Net County Cost	$524,357	$504,425	0	0%
Total Positions	0	0	0	0%