



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: November 7, 2012

Board Meeting Date: December 11, 2012

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager
Mark Church, Assessor-County Clerk-Recorder

Subject: Appraisal Services Staffing Increase

RECOMMENDATION:

- A) Introduction of an ordinance amending the Master Salary Ordinance to add 5 unclassified Appraiser series positions in the Assessor-County Clerk-Recorder Department and waiver of reading the ordinance in its entirety.
- B) Resolution authorizing an Appropriation Transfer Request in the amount of \$179,100 from Non-Departmental Services Reserves and \$90,000 from Appraisal Services Extra-Help; to Appraisal Services Salary and Benefits in the Assessor-County Clerk-Recorder Department.

BACKGROUND:

Due to the economic recession and resulting decline in real property values, the Appraisal Services division has experienced a significant and prolonged increase in the number of assessment appeals and decline in value applications over the last five years. Consequently, the increase in appeals and decline in value activities resulted in a growing backlog of unresolved appeals that cannot be alleviated with the current Appraisal Services staff.

In response to the assessment appeals backlog, one unclassified Senior Appraiser and one unclassified Assessor Recorder Technician II were added to the Appraisal Services division during the FY 2010-11 Adopted Budget. Last year, with the aide of additional staff, the Appraisal Services division was able to implement a series of process improvements that enabled a 41% increase in the number of resolved assessment appeals from 1,446 in FY 2010-11 to 2,032 in FY 2011-12. In prior years, staff resolved an average of 1,300 appeals per year.

DISCUSSION:

At the March preliminary budget hearings, your Board requested an analysis of the Appraisal Services staffing in San Mateo County compared to other similar counties. The Assessor-County Clerk-Recorder found that in comparison to Marin County and San Francisco County, San Mateo County has the highest number of parcels per Appraiser and the highest average total secured roll value per Appraiser. In addition, the counties of Santa Clara, San Francisco, and Marin reported adding Appraiser positions within the last year in order to address a similar backlog of appraisal activities.

During the staffing analysis, it was determined that with current staff levels, the assessment appeals backlog would not be eliminated until FY 2020-21. With the addition of 5 unclassified Appraisers, the backlog could be eliminated by FY2016-17. Resolving the backlog four years earlier would significantly reduce the risk of losing property tax revenue due to assessment appeals that are not resolved before the statute of limitations.

The outcome of the staffing analysis is that 5 unclassified Appraiser positions are needed in the Appraisal Services division. Adding additional appraisal staff at this time may also benefit the County by having trained Appraisers available to ensure continuity, should there be any unanticipated retirements during this time of increased workload. With the help of additional staff, the Appraisal Services division anticipates resolving 2,130 assessment appeals by June 30, 2013.

The Ordinance has been reviewed and approved by County Counsel as to form.

This agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that property assessment appeals and decline in value applications are resolved in a timely manner.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Percent/Number of assessment appeals resolved by June 30	45% 2,032	48% 2,130

FISCAL IMPACT:

The Appropriation Transfer Request will transfer funds from Non-Department Services Reserves and Appraisal Services Extra-Help; to Appraisal Services Salary and Benefits in the Assessor-County Clerk-Recorder Department in order to provide six months of funding for 5 new unclassified Appraiser positions through June 30, 2013.

The total annual cost of adding 5 Appraisers is \$535,825, which will be offset by eliminating the need for Extra-Help Appraisers (180,000). The annual Net County Cost impact of these staffing changes is an increase of \$355,825 in the Assessor-County Clerk-Recorder Department. The Department's Net County Cost will be increased by this amount during the FY 2013-14 and FY 2014-15 two year budget process.