



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller &
Clerk-Recorder-
Assessor
Department No.: 061 & 062
For Agenda Of: July 25, 2017
Placement: Departmental
Estimated Time: 15 min
Continued Item:
If Yes, date from: July 18, 2017
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Theodore A. Fallati, Auditor-Controller
Director(s) Joseph E. Holland, Clerk-Recorder-Assessor
Contact Info: Theodore A. Fallati, Auditor-Controller
Joseph E. Holland, Clerk-Recorder-Assessor

SUBJECT: Budget Revision Requests No. 0004981 & No. 0005000

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file presentations from the Auditor-Controller and Clerk-Recorder-Assessor regarding Budget Revision Request No. 0004981 and Budget Revision Request No. 0005000.
- b) Approve Budget Revision Request No. 0004981 establishing appropriations of \$200,000 in Auditor-Controller General Fund to increase Committed Auditor Systems Maint/Develop fund balance funded by a decrease in appropriations for Salaries and Employee Benefits (\$115,000) and unanticipated Miscellaneous Revenue (\$85,000).
- c) Approve Budget Revision Request No. 0005000 establishing appropriations of \$1,135,000 to increase Committed Fund Balance funded by unanticipated revenues from State mandate reimbursements (\$426,000), Supplemental Administration Fees (\$372,000) and Property Tax Admin Fees (\$102,000) as well as Salary Savings (\$135,000) and unrealized Capital Asset Expenditures (\$100,000).
- d) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, because they consist of

Auditor-Controller Concurrence

As to form: Yes

administrative activities of the County that will not result in direct or indirect physical changes in the environment.

Background:

During the July 18, 2017 Board of Supervisors meeting the board requested additional information from and Auditor-Controller and the Clerk-Recorder-Assessor regarding two Budget Revision Requests, No. 0004981 from the Auditor-Controller and No. 0005000 from the Clerk-Recorder-Assessor.

Summary Text: Budget Revision Request No. 0004981 from the Auditor-Controller:

Increased salary savings were incurred due to several staffing vacancies. We request \$115,000 of the salary savings be committed to the Auditor-Controller Systems Maintenance/Development Committed Fund Balance account to be used for outside consultant work on our Property Tax System implementation. Since this work is not expecting to be ongoing, we will use consultant time rather than hire staff that may need to be laid off upon completion of the project. Unanticipated revenue of \$85,000 resulting mostly from unused flexible spending revenue will be used to replace 5 servers that have reached the end of their 7 year useful life.

Budget Revision Request No. 0005000 from the Clerk-Recorder-Assessor:

Due to a combination of unanticipated revenues and lower than expected expenditures, a positive net financial impact (NFI) of approximately \$1,600,000 is anticipated. The department proposes setting aside \$1,135,000 of the \$1,600,000 in a new committed fund balance account, leaving approximately \$450,000 to default to the General Fund for Fiscal Year 2016-17. The department proposes to commit the \$1,135,000 to fully fund the anticipated cost of the Assessor's Property System (APS) modernization project that is underway. This is an imperative project necessary to update the functional and technical inadequacies of this system that was developed in-house in 1999 and maintains and tracks all secured properties valued at roughly \$75 billion. The anticipated incremental cost to the department to develop and implement the system changes is estimated to be \$1,635,000 over a 5-year development period beginning in Fiscal Year 2017-18. If approved, the Department will be able to cover the full incremental costs utilizing these funds along with the existing restricted fund balance in line item account 9767 (\$500,000).

Attachments:

- A. Auditor-Controller Presentation
- B. Clerk-Recorder-Assessor Presentation

Authored by:

Theodore A. Fallati, Auditor-Controller
Joseph E. Holland, Clerk-Recorder-Assessor

cc: