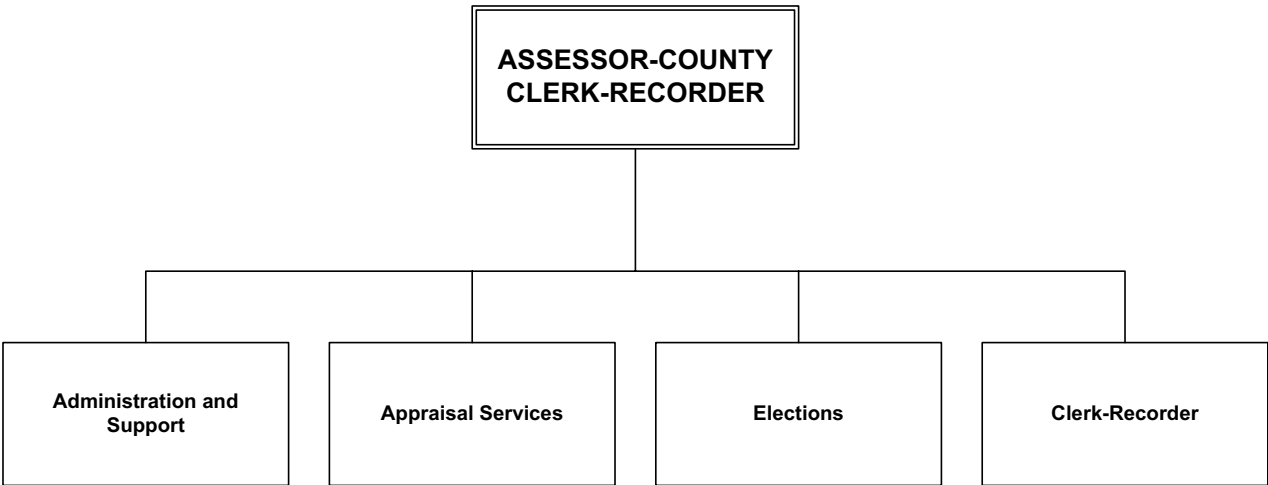
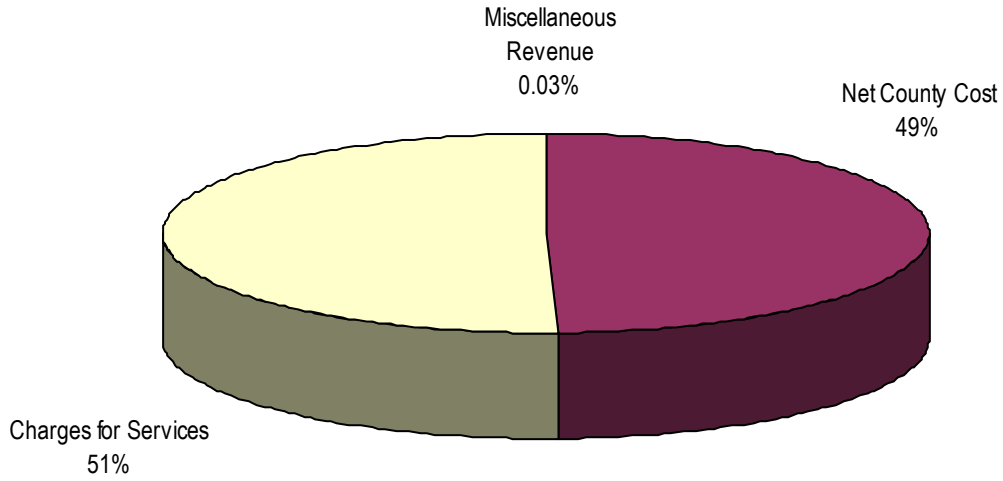


ASSESSOR - COUNTY CLERK - RECORDER

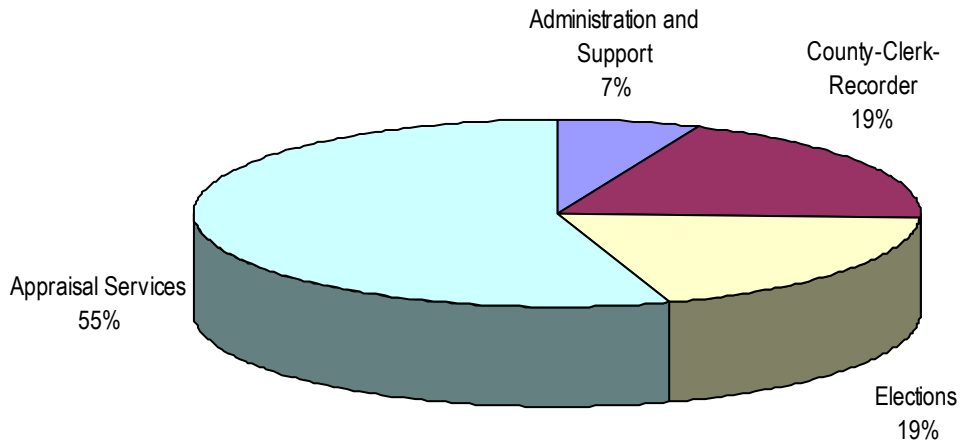


Assessor - County Clerk - Recorder

FY 2010-11 Recommended Sources



FY 2010-11 Recommended Requirements



Department Locator

- County
 - Collaborative Community
 - Board of Supervisors
 - County Manager / Clerk of the Board
 - ▷ **Assessor-County Clerk-Recorder**
 - Controller’s Office
 - Treasurer-Tax Collector
 - Retirement (SamCERA)
 - County Counsel
 - Information Services Department
 - Grand Jury
 - Non-Departmental Services
 - Contingencies
 - Debt Service Fund

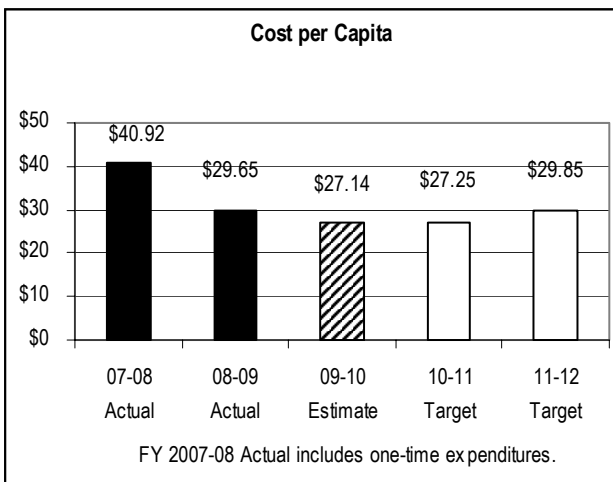
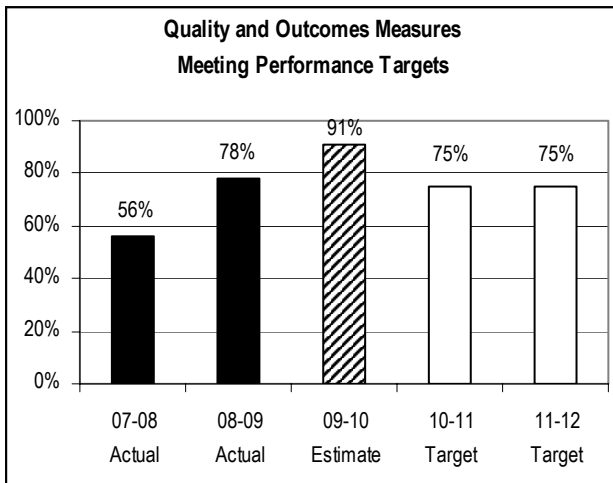
Department Mission Statement

The mission of the County Clerk, Assessor, Recorder and Elections Office (CARE) is to maintain an accurate public record of recorded transactions relating to people, businesses and property within San Mateo County; ensure equitable treatment of County property owners by providing timely and fair valuation of land, improvements, businesses and personal property; maintain accurate voter registration files; and conduct accurate and secure elections on behalf of the citizens of San Mateo County.

**Contributions to Shared Vision 2025
(Fiscal Years 2005 – 2009)**

COLLABORATIVE COMMUNITY: Our leaders forge partnerships, promote regional solutions, with informed and engaged residents, and approach issues with fiscal accountability and concern for future impacts

Department Measures



• **Vote by Mail Program**

AB 1520 was enacted to allow any voter in California to voluntarily sign up to “vote by mail” on a permanent basis without condition. Prior to that time, the County had approximately 3,500 absentee voters who qualified. Since then, 150,000 voters (or 44%) of the total voter roll in San Mateo County has signed up to permanently vote by mail. This law, along with voter education and an aggressive outreach campaign by this office, has increased voting options for voters. To facilitate this large increase of “vote by mail” ballot returns, the Elections Office streamlined processing by implementing high-speed mail receiving and sorting equipment, electronic signature capture, and improved signature verification processes.

• **DemocracyLIVE! Student Worker Program**

The Elections Office continues to offer a student Poll Worker Program during presidential or gubernatorial elections. Student poll workers from 30 schools serve in an official capacity as election officers. This community partnership provides civic engagement opportunities for students and fosters an appreciation for voting among young people who are one of the least engaged demographic voter groups. The involvement of student poll workers creates a more diverse poll worker population, which traditionally has consisted of older adults, and hopefully will encourage a new, technically-savvy generation of poll workers to support the election process.

• **Voter Outreach E-mail Study**

The Elections Office is collaborating with Stanford University and California State University-East Bay to study the efficacy of an e-mail voting reminder from a Chief Elections Officer in an official capacity versus an e-mail voting reminder from an unknown advocacy group to see if it has an impact on voter participation. The first test was conducted during the November 2009 countywide election; results from this test indicated that the official message did make a difference in voter turnout. This partnership has been forged to inform best practices, and test

the efficacy of technology delivered voter outreach and information, and increase participation.

- **Language Accessible Election Materials**

The Elections Office provides all election materials in English, Spanish and Chinese to better serve the citizens of San Mateo County and comply with the Federal Voting Rights Act. In addition, poll workers with Chinese and/or Spanish language proficiency were appointed and strategically assigned to areas of the County to assist voters requiring such assistance in voting. The Elections Office website contains Spanish and Chinese language content and responds to queries on the minority language telephone lines.

- **Universal Voting Centers and Help America Vote Act (HAVA)-compliant Voting Equipment**

The county voting system was replaced in 2006 with HAVA-compliant eSlates which made it possible for all people, regardless of disability, to independently cast a secret and accurate ballot at the polls and at two universal voting centers that open 29 days before each election.

- **Electronic Interfaces to Support both Public and Private Sectors**

CARE has provided technology solutions that support local government entities for the submission of electronic building permits; provided real-time information to city and school district financial managers via a web based application called "Assessment Roll Tracker" (ART); and implemented an automated process for the submission of the 571 Business Property Statements (eSDR) for public businesses via a multi-county online application.

- **Partnership with San Mateo County Financial Officers Group (SAMFOG) and School District Business Managers**

Continued to share information with the San Mateo Financial Officers Group (SMFOG) and the San Mateo County School District Business Managers regarding property tax projections resulting in improved collaboration and understanding among agency financial officials.

- **Community Organization Partnerships to Increase Voter Registration and Civic Engagement**

The Elections Office continues to work with the Commission on Disabilities and the Center for Independence of the Disabled to evaluate and improve the accessibility of the polling places that have provided HAVA compliant voting equipment since 2006. The Elections Office applied for and received HAVA grants to undertake new projects to increase access, provide information, transportation options, and needed polling place mitigations to assure accessibility for voters with disabilities.

The Elections Office also works with the League of Women Voters, the county's high schools, the Self Help for the Elderly, the Organization of Chinese Americans (OCA), and the Latino community leaders to increase the participation of young, minority and voters with disabilities.

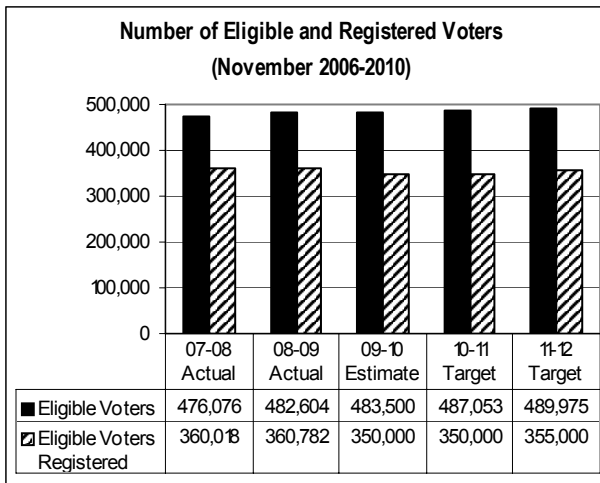
- **Expanded eGovernment Initiatives**

CARE continues to provide web enabled services to constituents for marriage license, fictitious business name statement applications and the e-filing of Business Property Statements for both large and small businesses in San Mateo County online, which has resulted in improved access and delivery of services. This fall, the Recorder's Office will begin to offer the private sector the opportunity to record land documents electronically bringing efficiencies to both government and business sectors which will provide long term cost benefits to the county.

The department introduced a fresh new look to both of CARE's web sites--www.shapethefuture.org and www.smcare.org, to improve accessibility, functionality, navigation, search engine optimization, aesthetics and to feature web 2.0 technologies. These website updates included informational / instructional flash videos, a blog, twitter, RSS, and Flickr photos in an attempt to meet the expectations of today's web visitor. The Elections web site allows voters to view, print, track, change and subscribe to voter information. Voters can click a button to: "check my voter registration status", "view my sample ballot," "find my polling place and precinct number", "sign up to vote by mail," "sign up to work at the polls," "track and confirm the arrival of my voted mail ballot," subscribe to election news and press releases, get information in English, Spanish and Chinese and / or "get Election Day results real-time" on election night and through the finalization of the vote count.

- **Provided Timely and Fair Valuation of Land, Improvements, Businesses and Personal Property**

The County's assessment roll contributes to the fiscal health and well-being of every jurisdiction in the County including cities, special districts, school districts and the County itself. In FY 2009-10, the Department closed the roll with a \$1 billion increase or 0.7%.



Major Accomplishments in FY 2009-10

COLLABORATIVE COMMUNITY

Property Tax Roll Increase

- For the first time since the passage of Proposition 13 in 1978 the California Consumer Price Index (CCPI) produced a negative roll factor (-0.237%) which is used for the valuation of properties in California, and will affect property taxes collected in FY 2010-2011. Even with this statewide reduction in values, the San Mateo County Assessor closed the FY 2009-10 assessment roll valued at \$143 billion, with an increase of \$1.0 billion, or 0.7% increase over the FY 2008-09 assessment roll.
- CARE developed a web-based application called, Assessment Roll Tracker (ART), which tracks assessment roll data in real time and is accessible on a 24 / 7 basis to county and city fiscal officers who use this data to formulate budgets for their respective jurisdictions such as cities, school districts and special districts. In 2010 CARE added features to this web enabled tool which includes, “current year roll changes”, “supplemental assessment data”, “unresolved appeals and the financial risk associated with each one” and “open activities pending valuation”.

Defended Major Assessment Appeal Cases

- Utilized significant internal and external resources to support and defend the assessed values enrolled for major property assets within the County.

Managed Complicated Property Assessment Services

- In 2008, a dramatic workload shift occurred due to the economic conditions of the local real estate market and it continued into the next fiscal year. CARE launched a “Decline in Value Program” aimed at identifying properties that were eligible for a reduction in assessed value. The Real Property Division reviewed over 52,000 residential parcels for the FY 2009-10 assessment roll to determine their eligibility for a reduction; the assessments for over 28,000 of these residential parcels resulted in a reduction. While this proactive approach made

workload management of this large volume of work possible, and significantly reduced the number of appeals that would have potentially been submitted, the number of assessment appeal applications has increased as compared to two years ago. As anticipated, the number of Decline in Value requests for commercial property is now occurring. This workload increase is in addition to the regular responsibilities of the Assessor’s Office which include the valuations of property sales and new construction and the production of an annual assessment roll. This trend is expected to continue through FY 2010-11 and beyond. Every property enrolled in the Decline in Value Review program must be reevaluated every year to determine its continued eligibility for changed valuation. The OBM performance measures have been adjusted to account for this increased workload. The “Percent of real property activities processed by close of the roll” measure was reduced from 99% to 90% and the “Median days from residential sale to notice of supplemental assessment” measure was increased from 24 days to 30 days.

Provided Proactive and Timely Communications to the Public

- CARE provided proactive and timely consumer protection alerts through media sources, such as the CARE website, blogs, and e-mails, to educate the public about a “deal” offered by private companies to homeowners that proposed 25-50% reductions in assessed values for a fee of several hundred dollars. There were fewer victims this year than in past years and the office received more inquiries than in years past, which was another reaffirming sign of success.
- CARE has been on the leading edge of making the elections process more transparent and keeping voters and the public in general better informed and up-to-date on the latest news regarding election security and systems. The Elections Office communicates with voters, candidates, the political parties and the public at large about important election topics and deadlines; issues mandatory public information in a timely and comprehensive manner through media releases and web postings; and creates a transparent and inside view of elections by providing real time information utilizing leading technology such as the Election News Now Twitter account, Inside Elections Blog, YouTube, RSS feeds, GovDelivery e-mail / text subscriptions to press release and news update sources, online flash videos and public channel TV productions that brings the citizens of San Mateo behind the scenes of an election in progress. CARE has enhanced election results reporting by using GIS to display individual precinct locations and vote counts, web-based ballot tracking, and bar-code technology to track and inventory voting equipment; and produced the POLLcat newsletter for the poll worker community.
- An important component of the Assessor’s Office that routinely gets overlooked is the public facing support that is provided by this office. In addition to the valuation of properties, the use of technology in conducting appraisals and audits and the day-to-day interpretation of rules, laws and regulations, appraisers and auditors represent the county on a daily basis meeting face-to-

face with the public. This hands-on customer service approach is time consuming, but provides valuable returns to the county by educating the public about what the Department does, how property values are derived and gives them an understanding of how the appeals process works. Benefits can be measured by reducing the number of frivolous appeals and customer satisfaction surveys.

Electronic Document Management System (EDMS)

- CARE has aggressively continued its efforts to expand the use of EDMS solutions across all areas of business within the Department. In 2008 and 2009 CARE launched EDMS business solutions which supported various assessor workflows such as processing 571 business property statements, large building plan formats, getting documents online and keeping them up to date, and archiving important records and artifacts crucial to business operations. In 2010 CARE completed additional projects that expanded the use of EDMS in the department which include the data conversion of a decade of indexed images and a go-forward scanning strategy that makes images of documents available in real time to better support the work of appraisers and auditors.

Public Records

- In July of 2009 CARE launched a project that inventoried and then created a database of the records, film and historical books for entry into a records management application. This system application will be used to track and manage the records at the Tower Road facility for both county personnel and the public.

Major Issues to be Addressed

- **Managing Change While Implementing New Technology and Business Solutions**—The Clerk-Recorder, Assessor, and Elections Office within CARE are all involved in major business solution changes or large technology projects that are in the process of being implemented now, and over the next two year budget cycle. All of these initiatives are aimed at streamlining processes and providing automation where it is deemed beneficial. The expanded use of technology will provide better information and services for customers, improve processes and workflow for staff, reduce repetitive stress injuries and realize reductions in operating cost. Business System replacements and managing large technology projects are complicated and time-consuming in organizations before the benefits are realized. The challenge is to manage the change process while minimizing impacts on customers and staff.
- **CARE Business Systems Management and Maintenance**—The evolving standards and requirements for voting equipment, coupled with proposed election audits and the changing security standards from the SOS and federal agencies are presenting new challenges in managing and maintaining the current voting system. At the end of 2010 the San Mateo Elections voting system will be five years old; the expected life span of a voting system is about 10 years. Within the next four years the County will need to begin evaluating the replacement of its current

voting system. The business application in use today that supports the Assessor's Office for valuating both real and personal property has reached end of life and is in need of replacement. The current vendor currently has no upgrades or replacements that will be made available in a reasonable period of time. This business application and the technology platforms supporting this application will need to be replaced over the next two year budget cycle.

- **Manage the Impact of Producing Less Work and Not Meeting Target Goals in Light of Reduced Funding and Staffing**—The Assessor's workload shifted from a very active residential sales market to large volumes of Declines in Value Reviews and assessment appeals. This began in FY 2007-08 and became more pronounced in FY 2008-09. For the 2009-10 assessment roll, the Assessor's Office reviewed over 52,000 residential parcels countywide to determine their possible eligibility for the Decline in Value program. Almost 28,000 parcels warranted a reduction in assessed values as indicated by the market. Once properties are in the "Decline" program, the Department is required to review them annually to determine their eligibility for continued participation. This requirement alone will double and potentially triple the appraiser workload over the next two years. Other contributors to an increasing appraiser workload are the "Short Sales" and "Foreclosure Sales" that require more complex valuations and are significantly longer to process. These types of transactions have increased, while "Regular Market Sales" that has short processing times, have decreased considerably. As anticipated, a pronounced decline in the commercial property market followed the decline in the residential market. It is expected that this increased workload will start in FY 2009-10 and will continue for the next few years, for both the decline reviews as well as assessment appeals. Combined, these issues will challenge the Department's ability to maintain previous work levels; as a result there will be backlogs in valuations and appeals for both residential and commercial properties. This will result in missing new revenue opportunities for incomplete valuations and sales; and not having the ability to defend assessor values due to a backlog of incomplete appeals.
- **Departmental Staffing Levels**—Retirements and forced vacancies due to budget cuts continue to affect the Department's operations which will have an impact on the Assessor and the Elections Office ability to maintain acceptable service levels. Reduced staffing levels have already impacted the department's ability to manage workload spikes. Productivity, functionality and staff capacity is stretched to the limits; as a result, work will not be completed in a timely manner, which may violate the constitutional duties of this office. This is a multi-layered challenge that includes succession planning, knowledge transfer and most importantly maintaining adequate staffing levels to support the departments mandated missions. In the past year, two independent operational reviews of CARE were conducted by The Mejorando Group and The Macias Group; both studies recommended that CARE fill vacancies within the department. Risks associated with understaffing the Assessor's office have

financial repercussions. If work is not completed, properties may go undervalued and appeals may be underrepresented. These financial consequences affect the County as a whole and extend to all local agencies. Similarly, the Elections division operates at bare-bones staffing levels; continued understaffing of the Elections division introduces a high risk component ripe for mistakes, which can have costly and possibly irreparable consequences. Operating the elections division in an understaffed capacity could delay ballot counts on election night, disenfranchise voters, create potentially irreparable vote counting mistakes and compromise voter confidence. The Elections division is dependent on a few highly qualified Election Specialist IIIs who are the knowledge managers responsible for the direction of the Extra Help staff brought in to handle work during high volume periods. Their knowledge and judgment is fundamental to the stability of the elections as today's elections are highly technical, complex and legally constrained productions. All of these staffing challenges need adequate considerations in the budget planning process coupled with a staffing plan and strategy that will best serve the department going forward.

Key Department Initiatives

1. Manage Change While Implementing New Systems and Processes

Alignment to Shared Vision:

- Collaborative Community

Major Issues to be Addressed:

- The Clerk-Recorder, Assessor, and Elections Office within CARE are all involved in business solution changes or technology projects that are in the process of being implemented over the next two year budget cycles. A key challenge will be managing the change associated with implementing new technology and the process re-engineering and refinement of operational procedures across the department in parallel with normal business activities
- The replacement of CARE IT server hardware reaching end of life; and legacy applications support and maintenance
- Implementing optical and intelligent character recognition (OCR and ICR) to reduce manual data entry of voter affidavits
- Transition from street range indexed voter address relationships to a single address relationship within the VR database to take advantage of parcel, district, census, TRA and GIS data relationships to the voter file which will significantly improve data integrity across disparate systems
- Redistribute voters within new district boundaries and associated precincts once the reapportionment process at the state and local levels is completed for San Mateo County

Goal:

- Manage the change associated with implementing new technology and the process engineering and refinement of operational procedures.

Objectives:

- Implement technology projects that will improve the efficiency of business systems and processes to ensure the accuracy of data, and security of recorded and archived information / records
- Leverage countywide EDMS initiatives and integrate business applications with FileNet to reduce paper in the workplace
- Develop and install integrated business applications that will enhance the Property Assessment and Clerk-Recorder systems and business processes using technology initiatives such as Electronic Recording, Digital Conversion of Microfilm and EDMS (FileNet Imaging and Workflow)
- Implement procedural and workflow changes to EZ Access (the primary assessor business application) aimed at improving the quality assurance of appraiser valuations and audits
- Voter file data integrity and interpretability with VoteCal, the new statewide voter registration system

Major Milestones:

- Implementation of Electronic Recording with SECURE (September 2010 through January 2011)
- Update Appraisal Services procedures and workflows to support Quality Assurance (July 2010)
- Conversion of the Recorder's Microfilm Records to Digital Image to support SSN Redaction (Start January 2011)
- Transition VR database to single address relationship – add TRA and parcel data to VR files (July 2010)
- Replace end of life IT hardware in the CARE enterprise – transition to virtualization where practical (January 2011)

FY 2010-11 Budget Impact:

Reserves will be used to fund the implementation of Electronic Recording of land record transactions, EDMS development, the replacement of end of life servers, the conversion of Microfilm to Digital Image, and increased ISD services.

2. Implement a Staffing Succession Plan that Addresses Workload Management and Business Continuity

Alignment to Shared Vision:

- Collaborative Community

Major Issues to be Addressed:

- CARE has low staffing levels, compared to other California Clerk-Assessor-Recorder-Election offices with similar demographics. These low staffing levels present risks in span of control, workload management, succession planning, and knowledge transfer loss when an employee leaves the County. Additionally, currently staffing levels leave

CARE with no capacity to absorb workload spikes or respond to unknown variables in the workplace.

- Operating the Elections Office in an understaffed capacity will delay ballot counts on election night, disenfranchise voters and create potentially irreparable polling place and vote counting mistakes.
- In the Assessor's Office a combination of prolonged understaffing and workload spikes, associated with the economic downturn, will continue to challenge the department's ability to maintain previous work levels; as a result there will be backlogs in valuations and appeals for both residential and commercial properties. This will result in missing new revenue opportunities because of uncompleted valuations and not having the ability to defend assessor values due to a backlog of appeals.
- Retirements and forced vacancies due to budget cuts continue to affect the department's operations. This is a multi layered challenge that includes, succession planning, knowledge transfer and most importantly maintaining adequate staffing levels to support a viable succession plan and strategy. In the past year there have been two operational reviews of CARE by the Mejorando Group and Macias Group; both studies recommended that CARE fill vacancies within the department. These studies pointed out the need for succession planning and managed knowledge transfer to maintain acceptable levels of business continuity. CARE has also made multiple requests regarding these recommendations to the County Managers Office and Finance and Operations Committee. There is a shortage of senior level appraiser talent in the state which adds to the complexity of managing this challenge in a timely and effective manner.

Goal:

- Implement a staffing / succession plan and strategy that address workload management and business continuity

Objectives:

- Refrain from cutting further positions in the Department and aggressively fill all open positions within CARE to adequately support workload surges, unknown variables, succession planning, knowledge transfer and business continuity
- Implement a staff training plan that incorporates industry best practices in developing subject matter experts for the Department
- Incorporate cross training models that achieve optimal cross pollination of knowledge and subject matter proficiency
- Staff appropriately to support the mandated services provided by the offices of Clerk-Assessor-Recorder-Elections
- Introduce strategies that will help manage workload spikes associated with the economic downturn; identify priority work and work that will not be completed; use Extra Help as necessary to manage workloads more effectively

- Start succession planning and managed knowledge transfer to maintain acceptable levels of business continuity

Major Milestones:

- Introduce strategies to manage workload spikes associated with the economic downturn; identify priority work and work that will not be completed; Develop Annual workload calendars aimed at managing resources (July 2010 through December 2010)
- Implement a staffing / succession plan / strategy that addresses workload management and business continuity (FY 2010-11)

Partners:

- CARE
- Board of Supervisors
- Secretary of State
- Other County Elections Offices
- Controller's Office
- Treasurer-Tax Collector's Office
- County Manager's Office

FY 2010-11 Budget Impact:

Positions will be maintained by using Reserves. Succession planning is currently unfunded and is needed to address significant loss of institutional knowledge.

Assessor-County Clerk-Recorder (1300D) General Fund

FY 2010-11 and 2011-12 Budget Unit Summary

| | Actual 2007-08 | Actual 2008-09 | Revised 2009-10 | Recommended 2010-11 | Change 2010-11 | Recommended 2011-12 |
|-------------------------------|-------------------|-------------------|--------------------|------------------------|--------------------|------------------------|
| SOURCES | | | | | | |
| Intergovernmental Revenues | 348,678 | 282,790 | | | | |
| Charges for Services | 11,486,625 | 10,839,358 | 9,476,556 | 9,193,130 | (283,426) | 9,321,220 |
| Miscellaneous Revenue | 11,025 | 80,637 | 8,000 | 5,700 | (2,300) | 5,700 |
| Total Revenue | 11,846,327 | 11,202,785 | 9,484,556 | 9,198,830 | (285,726) | 9,326,920 |
| Fund Balance | 544,410 | 536,789 | 1,222,009 | 1,425,782 | 203,773 | 1,012,772 |
| TOTAL SOURCES | 12,390,737 | 11,739,574 | 10,706,565 | 10,624,612 | (81,953) | 10,339,692 |
| REQUIREMENTS | | | | | | |
| Salaries and Benefits | 14,847,145 | 14,411,779 | 14,801,689 | 14,656,402 | (145,287) | 15,967,421 |
| Services and Supplies | 6,997,680 | 5,182,372 | 4,577,349 | 3,182,080 | (1,395,269) | 4,586,102 |
| Other Charges | 1,962,858 | 2,012,776 | 2,160,095 | 2,100,268 | (59,827) | 2,082,753 |
| Fixed Assets | | 19,756 | | | | |
| Gross Appropriations | 23,807,683 | 21,626,683 | 21,539,133 | 19,938,750 | (1,600,383) | 22,636,276 |
| Intrafund Transfers | (3,476,110) | | (3,176,657) | (952,770) | 2,223,887 | (3,830,346) |
| Net Appropriations | 20,331,573 | 21,626,683 | 18,362,476 | 18,985,980 | 623,504 | 18,805,930 |
| Contingencies / Dept Reserves | | | 1,103,009 | 604,870 | (498,139) | 500,000 |
| TOTAL REQUIREMENTS | 20,331,573 | 21,626,683 | 19,465,485 | 19,590,850 | 125,365 | 19,305,930 |
| NET COUNTY COST | 7,940,836 | 9,887,109 | 8,758,920 | 8,966,238 | 207,318 | 8,966,238 |
| AUTHORIZED POSITIONS | | | | | | |
| Salary Resolution | 124.0 | 119.0 | 113.0 | 112.0 | (1.0) | 112.0 |
| Funded FTE | 123.7 | 119.0 | 113.2 | 111.9 | (1.3) | 111.9 |

FY 2010-11 Budget Overview

TOTAL SOURCES

Total Sources decreased by \$81,953 or 0.8% from the FY 2009-10 Revised to the FY 2010-11 Recommended Budget due to the following changes:

Charges for Services

There is a net decrease of \$283,426 in this funding source. There is a decrease of \$700,000 in supplemental tax administration fees due to fewer reassessments related to new construction, a decrease of \$853,374 in election services provided to other agencies because there is only one scheduled election during FY 2010-11 versus two elections in FY 2009-10, and an increase of \$900,000 in document recording fees because the State approved an increase to the amount counties may charge to the public.

Miscellaneous Revenue

There is a decrease of \$2,300 in this funding source due to a decrease in State Disability Insurance reimbursements.

Fund Balance

There is an increase of \$203,773 in this funding source due to savings generated by positions held vacant.

TOTAL REQUIREMENTS

Total Requirements increased by \$125,365 or 0.6% from the FY 2009-10 Revised to the FY 2010-11 Recommended Budget due to the following changes:

Salaries and Benefits

There is a net decrease of \$145,287 in this expenditure category primarily due to an increase of \$777,215 in retirement contributions and health costs, a decrease of \$841,403 in Extra-Help costs because there is only one scheduled election during FY 2010-11, and a decrease of \$81,099 due to the elimination of one vacant Assessor / Recorder Tech II position.

Services and Supplies

There is a net decrease of \$1,395,269 in this expenditure category primarily due to a decrease of \$1,556,083 in elections-related appropriations because there is only one election in FY 2010-11, an increase of \$252,956 in Voter Registration System replacement, and an increase of \$160,000 in loan repayment to the General Fund.

Other Charges

There is a decrease of \$59,827 in this expenditure category mainly due to the elimination of a one-time automobile claim settlement.

Intrafund Transfers

There is a net decrease of \$2,223,887 in this expenditure category primarily due to the elimination of a \$2,534,676 reimbursement from the General Fund for two major elections in FY 2009-10, an increase of \$952,770 from the General Fund reimbursement for Gubernatorial General election during FY 2010-11, and the one-time General Fund loan of \$641,981 to cover shortfalls in Trust Fund revenues in FY 2009-10.

Contingencies / Departmental Reserves

There is a decrease of \$498,139 in this expenditure category. The balance in General Fund Reserves represents 3.2% of Net Appropriations, which exceeds the County 2% Reserves policy by \$225,150. The decrease is due to a one-time use of Reserves to meet the Net County Cost target.

NET COUNTY COST

There is an increase of \$207,318 or 2% in this Department's General Fund allocation. This increase is primarily due to retirement and health benefit increases.

FY 2011-12 Budget Overview

TOTAL SOURCES

Total Sources decreased by \$284,920 or 2.7% from the FY 2010-11 to the FY 2011-12 Recommended Budget due to the following changes:

Charges for Services

There is a net increase of \$128,090 in this funding source mainly due to an increase of \$143,891 in election services and a decrease of \$15,801 in micrographic conversion fees because of a decrease in Trust Fund revenue.

Fund Balance

There is a decrease of \$413,010 in this funding source due to one-time purchases and projects in FY 2010-11.

TOTAL REQUIREMENTS

Total Requirements decreased by \$284,920 or 1.5% from the FY 2010-11 to the FY 2011-12 Recommended Budget due to the following changes:

Salaries and Benefits

There is a net increase of \$1,311,019 in this expenditure category mainly due to an increase of \$1,151,870 in election costs for three major elections scheduled during FY 2011-12 and an increase of \$159,149 in retirement contributions and health care costs.

Services and Supplies

There is a net increase of \$1,404,022 in this expenditure category due to a decrease of \$100,021 in professional services contracts, a decrease of \$160,000 due to the elimination of the FY 2010-11 General Fund loan payment, and an increase of \$1,664,043 in elections appropriation for UDEL, Presidential Primary and Statewide Direct Primary elections during FY 2011-12.

Other Charges

There is a decrease of \$17,515 in this expenditure category due to a reduction in automation services.

Intrafund Transfers

There is a net increase of \$2,877,576 in this expenditure category due to the elimination of \$952,770 from the General Fund for one election in FY 2010-11 and a reimbursement in the amount of \$3,830,346 from the General Fund to cover three major elections during FY 2011-12.

Contingencies / Departmental Reserves

There is a decrease of \$104,870 in this expenditure category due to the use of Reserves to meet the Net County Cost target. The balance in General Fund Reserves represents 2.7% of Net Appropriations, which exceeds the County 2% Reserves policy by \$123,881.

NET COUNTY COST

No Change.