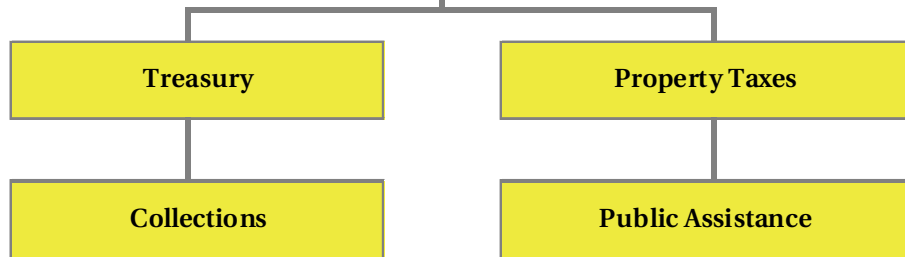


TREASURER-TAX COLLECTOR-PUBLIC ADM.

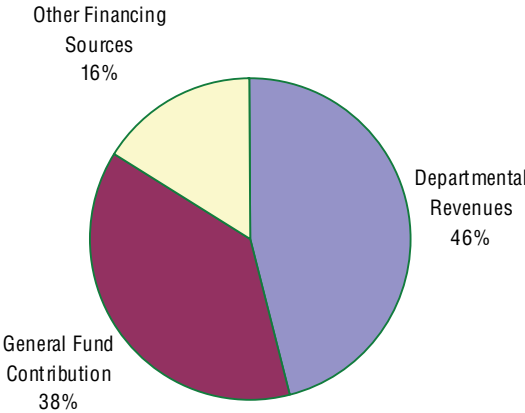
Budget & Staffing	
Operating \$	6,077,180
Capital	794,000
FTEs	37.8

Harry E. Hagen
Treasurer-Tax Collector
Public Administrator

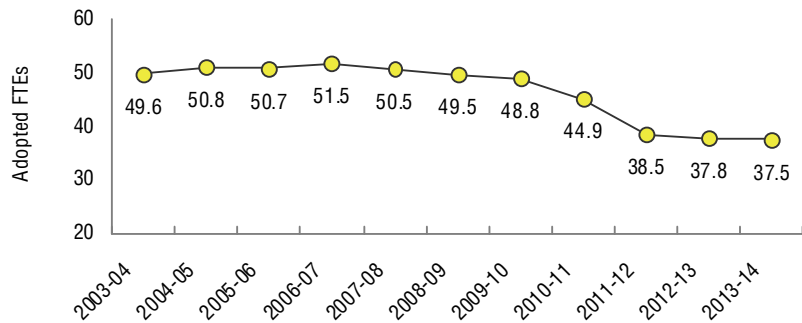
Finance and Administration



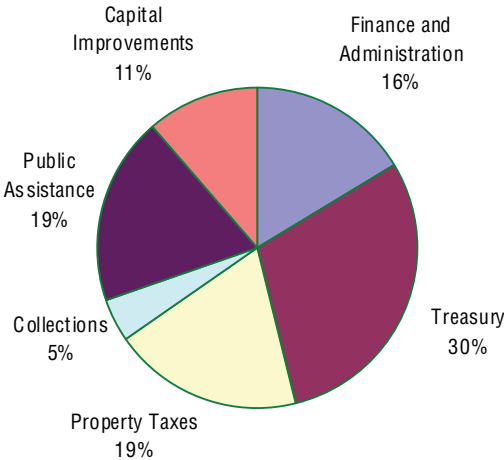
SOURCE OF FUNDS



STAFFING TREND



USE OF FUNDS



TREASURER-TAX COLLECTOR-PUBLIC ADM.

Department Summary

	Actual FY 10-11	Adopted FY 11-12	Recommended FY 12-13	Proposed FY 13-14
Character of Expenditures				
<i>Operating Expenditures</i>				
Regular Salaries	\$ 3,205,041	\$ 3,132,937	\$ 2,973,487	\$ 2,999,107
Overtime	1,890	--	--	--
Extra Help	60	30,186	30,187	30,303
Benefits	1,422,751	1,654,683	1,512,624	1,690,146
Salaries & Benefits Sub-Total	4,629,742	4,817,806	4,516,298	4,719,556
Services & Supplies	1,599,801	1,537,343	1,661,771	1,660,919
Operating Sub-Total	6,229,543	6,355,149	6,178,069	6,380,475
Less: Intra-County Revenues	(717,245)	(461,973)	(100,889)	(102,539)
Operating Total	5,512,298	5,893,176	6,077,180	6,277,936
<i>Non-Operating Expenditures</i>				
Capital Assets	667,517	1,562,725	794,000	365,000
Expenditure Total	\$ 6,179,815	\$ 7,455,901	\$ 6,871,180	\$ 6,642,936

Use of Funds Summary

	Actual FY 10-11	Adopted FY 11-12	Recommended FY 12-13	Proposed FY 13-14
<i>Operating Expenditures</i>				
Finance and Administration	\$ 1,032,590	\$ 1,284,469	\$ 1,144,318	\$ 1,172,547
Treasury	1,915,285	1,958,706	2,065,380	2,132,580
Property Taxes	1,119,899	1,401,400	1,335,097	1,367,884
Collections	669,551	230,107	314,887	332,254
Public Assistance	1,492,218	1,480,467	1,318,387	1,375,210
Operating Sub-Total	6,229,543	6,355,149	6,178,069	6,380,475
Less: Intra-County Revenues	(717,245)	(461,973)	(100,889)	(102,539)
Operating Total	5,512,298	5,893,176	6,077,180	6,277,936
<i>Non-Operating Expenditures</i>				
Capital Assets	667,517	1,562,725	794,000	365,000
Expenditure Total	6,179,815	7,455,901	6,871,180	6,642,936
<i>Other Financing Uses</i>				
Operating Transfers	7,471	--	--	--
Designated for Future Uses	--	151,803	--	--
Department Total	\$ 6,187,286	\$ 7,607,704	\$ 6,871,180	\$ 6,642,936

Note: Presentation of the individual program amounts for fiscal years 2010-11 and 2011-12 have been adjusted to provide a consistent level of detail with the fiscal year 2012-13 budget, however, the totals for 2010-11 and 2011-12 have not been changed.

Source of Funds Summary

	Actual FY 10-11	Adopted FY 11-12	Recommended FY 12-13	Proposed FY 13-14
<i>Departmental Revenues</i>				
Federal & State Revenues	\$ 58,926	\$ 114,600	\$ 62,120	\$ 72,120
Other Charges for Services	3,374,584	3,371,337	2,775,342	3,398,543
Miscellaneous Revenue	397,793	353,000	350,900	350,900
Revenue Sub-Total	3,831,303	3,838,937	3,188,362	3,821,563
Less: Intra-County Revenues	(717,245)	(461,973)	(100,889)	(102,539)
Revenue Total	3,114,058	3,376,964	3,087,473	3,719,024
<i>General Fund Contribution</i>				
	2,452,711	2,222,287	2,666,938	2,533,559
<i>Other Financing Sources</i>				
Use of Prior Fund Balances	620,517	2,008,453	1,116,769	390,353
Department Total	\$ 6,187,286	\$ 7,607,704	\$ 6,871,180	\$ 6,642,936

Note: The Proposed 2013-14 "General Fund Contribution" amount of \$2,533,559 displayed in the summary table above includes a projected General Fund Contribution of \$2,346,959 and a projected budget gap of \$186,600.

	Actual FY 10-11	Adopted FY 11-12	Recommended FY 12-13	Proposed FY 13-14
FTE Summary				
<i>Permanent</i>				
Finance and Administration	5.2	6.6	6.0	5.7
Treasury	10.1	9.5	10.7	10.7
Property Taxes	6.5	7.9	7.1	7.1
Collections	5.1	1.9	2.1	2.1
Public Assistance	14.6	14.1	11.5	11.4
Total Permanent	41.6	40.0	37.3	37.0
<i>Non-Permanent</i>				
Extra Help	--	0.5	0.5	0.5
Total FTEs	41.6	40.5	37.8	37.5

Note: FTE totals may not sum correctly due to rounding.

MISSION STATEMENT

Bill and collect all property taxation, process all payments, provide banking services, invest revenue received by the County, Special Districts and Schools, and administer the County's debt program, deferred compensation plan, decedent estates, public conservatorships, and Veterans' Services.

Department Description

The divisions of the Treasurer-Tax Collector-Public Administrator Department are Finance & Administration, Treasury, Property Taxes, Collections, and Public Assistance. The Treasurer-Tax Collector-Public Administrator Department has staff that operate in Santa Barbara and Santa Maria.

The emphasis of the Treasurer-Tax Collector-Public Administrator Department is the continuation and enhancement of the following services: tax collection; banking services; investing public funds with the primary objective of preservation of principal; administering the County's debt program; administering the County's deferred compensation plan; administering decedent estates and conservatorships; and assisting County veterans in obtaining State and Federal benefits. Within each of the basic services provided, the Treasurer-Tax Collector-Public Administrator delivers programs that specifically address the County's Strategic Plan through actions required by law or by routine business necessity.

2011-12 Anticipated Accomplishments

Administration:

- Developed computer server infrastructure to provide a high level of redundancy in Santa Barbara and Santa Maria by constantly backing up applications, files and databases needed for business continuity.
- Collected approximately \$500,000 in Calendar Year 2011 for the Santa Barbara South Coast and Santa Ynez Tourism Business Improvement Districts. This revenue is used to promote the local tourism industry which will positively impact the regional economy, as tourism is one of the biggest economic sectors in the County. The economic impacts include increased sales tax and Transient Occupancy Tax (TOT) revenues.
- Completed a major redesign of the property tax payment website. Many new features were added to provide a personalized website experience for our taxpayers as well as increasing efficiencies for Treasurer-Tax Collector staff. New features include 1) improved and simplified bill searching, 2) printable electronic property tax bills in PDF format, 3) smart payment buttons, and 4) Google Map integration.

Public Assistance:

- Public Assistance migrated to a web-based software for the Public Guardian, Public Administrator & Protective Payee accounting and Veterans' Services. This software is backed up at the end of each day and is stored on servers in two states other than California, providing for disaster recovery.

TREASURER-TAX COLLECTOR-PUBLIC ADM.

Department Summary (cont'd)

- The Veterans' Services division continues to assist County veterans and their families in obtaining benefits. County veterans received approximately \$8 million in new monthly and retroactive benefits, lump sum, college free waiver and prior awards. In addition, approximately \$1.1 million is brought into the County for GI Bill students and Aid & Attendance assistance. These programs pay schools and care providers directly, keeping the students' and families' income to be spent in County on other necessities.
- As recommended by the Board of Supervisors, the Protective Pay Program created an infrastructure to implement a fee for service. This required coordinating reaccreditation from the Social Security Administration to charge a fee. New reports and mechanisms for collection were identified and created in the software program including coordination with an outside financial institution. In addition, staff worked extensively with ADMHS case managers and clients. All necessary actions to initiate collection of this fee have been accomplished.

Treasury:

- Issued Qualified Energy Conservation Bonds (QECB) which provided funding for the General Services Photovoltaic project. Refunded the 2001 Certificates of Participation, saving the County \$1.6 million. Issued the Tax Revenue Anticipation Notes (TRAN) which provides cash flow liquidity for the County and acted as a conduit issuer for the Montecito Retirement Association.
- Installed two new remittance processors for the collection of payments in January 2012, reducing downtime due to frequent infrastructure breakdowns. Maintenance costs will be reduced by 40%, a savings of \$10,000 - \$15,000 annually.

Property Tax:

- Continue implementation of new billing and collection systems to replace the thirty year old mainframe system; this multi-year project includes a new vendor system and supporting in-house systems. The new system will automate additional property tax functions, resulting in more efficient processing of property taxes for the County with better quality and controls. In addition, an informal user group was created with other California Counties to coordinate efforts and streamline processes.
- Beginning June 8, 2011, fifty-three parcels were published as Impending Default parcels, and an additional eighteen were already recorded in a Power-to-Sell status, for a total of seventy-one parcels. Payment plans were then initiated on eighteen of the fifty-three impending defaults prior to the default date. \$77,000 was recovered from the payment plans to date, and the remaining \$269,000 will be collected over the next three fiscal years. Power-to-Sell documents were prepared and recorded for all tax defaulted parcels. Thirty-nine have since been paid, resulting in the collection of \$935,000 in taxes and penalties. Payment is currently pending on three parcels totaling \$1,314,000. The remaining eleven parcels are moving toward 2012 tax auctions to collect \$177,000 in taxes and late penalties.

TREASURER-TAX COLLECTOR-PUBLIC ADM.

Department Summary (cont'd)

2012-14 Objectives

The County Treasurer-Tax Collector-Public Administrator's strategic actions align primarily with the following adopted County Strategic Goals:

Goal 1: Efficient and Responsive Government: An Efficient, Professionally Managed Government Able to Anticipate and to Effectively Respond to the Needs of the Community; and

Goal 3: Economic Vitality: A Community that is Economically Vital and Sustainable.

Each division provides certain core services reflected in the performance measures. The Treasurer-Tax Collector-Public Administrator's management strategy includes projects to improve service delivery, while curtailing costs. This will be achieved by concentrating on three main focus areas: Enhancement of Finance and Treasury Functions; Improving Property Tax and Collection Systems Policies and Procedures; and Administering and Facilitating Public Assistance Programs.

Administration:

- The Information Technology team plans to upgrade several database and software systems for Collections, Transient Occupancy Tax and Committee for Reciprocal Tax Accounting in California (CORTAC) payments. This will gain efficiencies and outcomes that include: faster processing of tax payments, processing with fewer errors, improved reporting and reduced staff time.

Property Tax:

- In FY 2012-13, the Treasurer-Tax Collector will continue to participate in all areas of the property tax project, including data conversion, systems interfaces, functional design, and user testing. This project will also need to integrate to the new Property Tax Assessment System to be installed by the Clerk-Recorder-Assessor. Efficiencies and Outcomes in FY 2012-13 will include use of a database warehouse, storing all historical mainframe data used by interfacing systems that will be upgraded this year. The total new system will initially be implemented early in FY 2013-14 and will require a significantly longer period for full system implementation to maximize the efficiencies and outcomes of a new system.
- In FY 2012-13, the Treasurer-Tax Collector will hold property tax auctions for the eleven remaining defaulted parcels. It is anticipated that the tax auctions will result in the collection of \$177,223 in taxes and late penalties.

Changes and Operational Impact: 2011-12 Adopted to 2012-13 Recommended

Staffing:

There will be a decrease of 2.7 full-time equivalents from the 2011-12 Adopted budget to the 2012-13 Recommended budget.

The Treasurer-Tax Collector has a projected staff of 37.8 employees with centralized operations in Santa Barbara and one satellite operation in Santa Maria. As a result of the economic downturn, the Treasurer-Tax Collector has dropped its budgeted staffing level over the past six years from 51.5 FTE in FY 2006-07 to 37.8 FTE in FY 12-13. Each of the six years the department has held positions vacant, returned funds to the general fund balance at year end and reduced positions in the subsequent budget cycle to offset increases in salary, retirement and benefit costs. This has resulted in the reduction and unfunding of 13.7 FTE's or a 27% decrease in positions since FY 2006-07.

Expenditures:

The Fiscal Year 2012-13 recommended operating expenditures decreased by \$177,000 to \$6,178,000 from the Fiscal Year 2011-12 Adopted Budget of \$6,355,000. This 2.8% decrease is the result of:

- Salaries and Benefits - decrease of \$301,000 due to the reduction of 2.7 FTEs, negotiated labor agreements as well as increases in County retirement, health insurance and other benefit rates. The department is proposing a reduction of 0.7 FTE in Veterans Services and the closure of Santa Barbara & Lompoc Offices. The department is also proposing a reduction of 2.0 FTE to Representative Payee program. Eliminating this program will require 300 clients with mental illness to retain alternative representatives to receive and pay their bills.
- Services and Supplies - increase of \$124,000 for banking fees, property tax auction noticing, liability expense, mainframe contract services, utilities and warrant stock.
- Capital - decrease of \$770,000 primarily due to continued work on the mainframe conversion project and the purchase of two remittance processors in FY 2011-12.

Revenues:

The Fiscal Year 2012-13 recommended departmental revenues decreased by \$651,000 to \$3,188,000 from the Fiscal Year 2011-12 Adopted Budget of \$3,839,000. This 17% decrease is the result of:

- -\$430,000 - decrease in cost allocation plan (CAP) revenue. The cost plan revenue was transferred to the General Fund General Revenue department budget this fiscal year. This revenue account fluctuates significantly within an individual central service department budget from year to year. This change will smooth out the fluctuation in these departmental revenues by replacing it with a fixed general fund contribution.
- -\$220,000 - decrease for treasury fees due primarily to a lower Indirect Cost Rate.

The Fiscal Year 2012-13 recommended departmental contribution of general revenues increased by \$445,000 to \$2,667,000 from the Fiscal Year 2011-12 Adopted Budget of \$2,222,000. This increase is primarily the result of:

- +\$430,000 - increase in departmental contribution since cost plan revenue for the central service departments was transferred to the General Fund General Revenue accounts.
- +\$198,000 - relief from 50% of one time FY 2011-12 funding sources reducing the draw on committed funds segregated for systems improvements and maintenance.
- -\$183,000 - FY2011-12 concessions savings.

Other Financing Sources and Uses:

The Fiscal Year 2012-13 recommended departmental financing sources require the use of \$323,000 departmental restricted funds to balance the recommended budget.

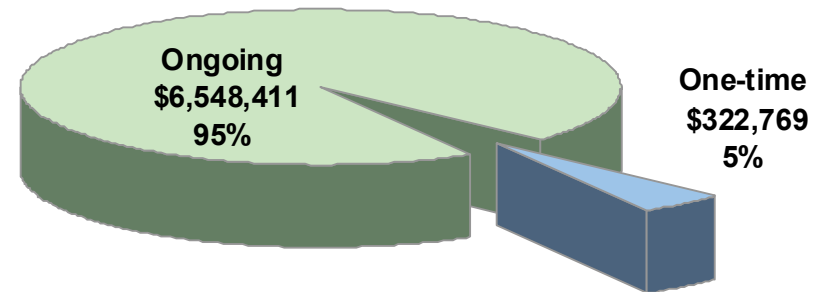
Changes and Operational Impact: 2012-13 Recommended to 2013-14 Proposed

The \$202,000 increase in expenditures is primarily the result of an increase in Salaries and Benefits, which reflects an increase for retirement contributions for 2013-14 of \$142,000, health insurance increases of \$33,000, expiration of labor concessions \$59,000, offset with a one-time decrease in 0.3 FTE \$32,000. In order to maintain mandated service levels, this increase will require additional staffing/program reductions and/or an increase in General Fund contributions.

	Actual FY 10-11	Adopted FY 11-12	Recommended FY 12-13	Proposed FY 13-14
Outcome Measures				
Percent of annual secured taxes collected to provide funding for County services. (Target = 97.5%)	98.4%	97.5%	97.5%	97.5%
Percent of bankruptcy proof of claim forms processed prior to the federal court's due date. (Target = 100%)	100% 39	100% 50	100% 50	100% 50
Percent of probate conservatees visited in the past twelve months. (Target = 100%)	100% 207	100% 200	100% 150	100% 150

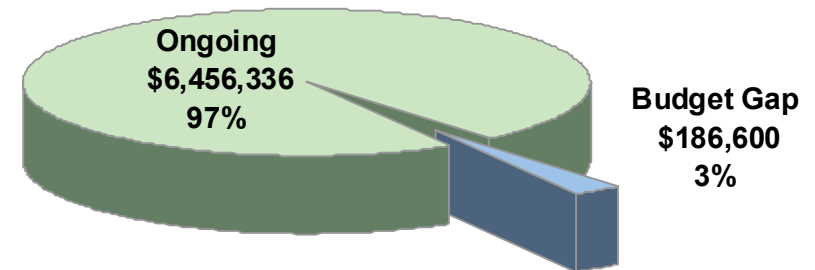
TREASURER-TAX COLLECTOR-PUBLIC ADM.
Department Summary (cont'd)

FY 2012-13 Recommended Budget



The FY 2012-13 Recommended Budget relies on one-time sources to fund 5% of the Department's ongoing operations. These funds include \$322,769 from the Department Committed Fund Balance. These funds allowed the Department to maintain a higher level of service than would otherwise have been possible; however, because these funds are one-time in nature, they will not be available to fund operations in FY 2013-14.

FY 2013-14 Proposed Budget



To maintain FY 2012-13 service levels, it is estimated that \$6.6 million of funding will be required in FY 2013-14. Of this amount, it is projected that \$6.4 million will be available through ongoing sources and \$186,600 is the amount of the budget gap. \$186,600 is required to prevent the need for service level reductions.

DEBT SERVICE
Department Summary

	Actual FY 10-11	Adopted FY 11-12	Recommended FY 12-13	Proposed FY 13-14
Use of Funds Summary				
<i>Operating Expenditures</i>				
Debt Service	\$ 10,613,321	\$ 7,745,078	\$ 7,546,188	\$ 7,717,471
Expenditure Total	10,613,321	7,745,078	7,546,188	7,717,471
<i>Other Financing Uses</i>				
Operating Transfers	231,189	--	--	--
Designated for Future Uses	560,219	622,899	89,250	89,250
Department Total	\$ 11,404,729	\$ 8,367,977	\$ 7,635,438	\$ 7,806,721
Character of Expenditures				
<i>Operating Expenditures</i>				
Services & Supplies	\$ 95,064	\$ 106,643	\$ 106,601	\$ 106,601
Principal & Interest	10,518,257	7,638,435	7,439,587	7,610,870
Expenditure Total	\$ 10,613,321	\$ 7,745,078	\$ 7,546,188	\$ 7,717,471
Source of Funds Summary				
<i>Departmental Revenues</i>				
Interest	\$ 244,631	\$ 200,000	\$ 90,000	\$ 90,000
Miscellaneous Revenue	100,697	--	--	--
Revenue Total	345,328	200,000	90,000	90,000
<i>General Fund Contribution</i>	1,128,160	861,000	690,000	690,000
<i>Other Financing Sources</i>				
Operating Transfers	7,396,186	6,647,328	6,855,438	7,026,721
Use of Prior Fund Balances	2,535,055	659,649	--	--
Department Total	\$ 11,404,729	\$ 8,367,977	\$ 7,635,438	\$ 7,806,721

Department Description

Debt Service is a separate county function that is administered by the Treasurer-Tax Collector-Public Administrator.

For information on the County's debt policy, Certificates of Participation and legal debt limit see Section F of this Operating Plan.

SERVICE DESCRIPTION

Debt service payments, both principal and interest, which are budgeted in various departments for Certificates of Participation (COPs) and other authorized long-term debt instruments, are consolidated here for oversight and payment by the Treasurer's Office. Internal Service Funds and Enterprise Funds are separate accounting entities that pay their debt directly. The budget also includes short-term (TRAN) debt payments.

Changes and Operational Impact: 2011-12 Adopted to 2012-13 Recommended

Expenditures:

- Net decrease of \$199,000. This 2.6% decrease is primarily a result of:
 - \$198,900 – decrease in annual principal and interest payments on long term debt.

Revenues:

- Net decrease of \$110,000. This 55% decrease is primarily a result of:
 - \$110,000 – decrease in interest earnings primarily due to refunding the 2001 Certificates of participation.

Other Financing Sources and Uses:

The Fiscal Year 2012-13 recommended debt financing sources were reduced by \$451,000 due to the use of one-time unspent debt proceeds to pay debt service.

Changes and Operational Impact: 2012-13 Recommended to 2013-14 Proposed

The \$171,000 increase in expenditures is primarily the result of increased debt service.

Long Term Debt Financial Reconciliation

The following table provides a reconciliation of budget page expenditure summary amounts and amounts shown in the Long Term Debt Payment Schedule, in the column labeled "Payments FY 12-13", line entitled "Subtotal General and Operating Funds" which appears on the following page.

Total Debt Service Expenditures	\$7,546,188
Less TRAN Interest and Cost	(690,000)
Less LTD Cost & Fees	(16,636)
Less ADMHS and CRA Leases	(485,397)
Net Government Funds Principal and Interest Payments	\$6,354,155

SANTA BARBARA COUNTY
DEBT PAYMENT SCHEDULE BY PROJECT/FUND
JUNE 30, 2012

DESCRIPTION	FUND	DEPT	TOTAL OUTSTANDING	INT, RESERVE & SUBSIDY	NET RENTAL PAYMENTS	PAYMENTS FY 12-13	REMAINING DEBT SERVICE
<u>GENERAL AND OPERATING FUNDS</u>							
<u>2010 COP</u>							
PUBLIC DEFENDER REMODEL	0001	990	14,566,701	4,063,830	10,502,871	435,415	10,067,456
BETTERAVIA ADMINISTRATION	0001	990	5,301,987	1,425,571	3,876,416	167,820	3,708,596
EMERGENCY OPERATIONS CENTER	0001	990	14,392,786	3,987,213	10,405,573	445,263	9,960,311
SUBTOTAL			34,261,474	9,476,613	24,784,861	1,048,498	23,736,363
<u>2008 COP</u>							
REDEVELOPMENT AGENCY	3104	993	23,347,139	1,430,480	21,916,659	1,378,883	20,537,776
<u>2005 COP</u>							
HALL OF RECORDS - CLERK-RECORDER	0001	062	280,334	61,006	219,328	92,871	126,457
ELECTIONS STORAGE - CLERK-RECORDER	0001	062	319,109	69,610	249,499	106,236	143,263
LOMPOC SUBSTATION - FIRE	0001	031	3,564,474	289,623	3,274,851	273,880	3,000,971
LOMPOC SUBSTATION - SHERIFF	0001	032	2,226,417	180,584	2,045,833	171,504	1,874,329
ISLA VISTA FOOT PATROL - SHERIFF	0001	032	4,773,875	388,104	4,385,771	367,178	4,018,593
TECHNICAL BUILDING - SHERIFF	0001	032	4,286,660	348,283	3,938,377	329,749	3,608,629
CHILDREN'S SERVICES BLDG - MENTAL HEALTH	0044	043	1,620,317	132,024	1,488,293	126,347	1,361,946
SUBTOTAL			17,071,185	1,469,234	15,601,951	1,467,765	14,134,186
<u>2011 PP</u>							
CASA NUEVA - GENERAL SERVICES	0001	063	2,994,553	0	2,994,553	338,045	2,656,508
CASA NUEVA - SOCIAL SERVICES	0001	990	1,214,235	0	1,214,235	137,071	1,077,164
CHILDRENS' SERVICES BLDG - MENTAL HEALTH	0044	043	1,404,359	0	1,404,359	158,853	1,245,507
JUVENILE HALL	0070	990	3,590,632	0	3,590,632	405,124	3,185,508
JUVENILE COURT - EXPANSION	0071	990	1,055,033	0	1,055,033	119,243	935,790
JUVENILE COURT - ATTORNEYS	0070	990	771,907	0	771,907	87,173	684,734
DISTRICT ATTORNEY	0070	990	4,521,999	0	4,521,999	509,877	4,012,122
SHERIFF - HVAC	0070	990	147,313	0	147,313	16,565	130,748
SB1732 - COURTHOUSE CONSTRUCTION	0071	990	2,787,150	0	2,787,150	687,058	2,100,092
SUBTOTAL			18,487,182	0	18,487,182	2,459,009	16,028,173
SUBTOTAL GENERAL AND OPERATING FUNDS			93,166,981	12,376,327	80,790,654	6,354,155	74,436,499
<u>2008 COP ENTERPRISE FUND</u>							
TAJIGUAS LANDFILL LINER	1930	054	6,925,755	555,363	6,370,392	577,760	5,792,632
<u>2010 COP ENTERPRISE FUND</u>							
TAJIGUAS LANDFILL LINER	1930	054	2,978,599	231,189	2,747,409	372,303	2,375,106
<u>2011 PP ENTERPRISE FUND</u>							
LAGUNA SANITATION SOLAR PROJECT	2870	054	5,499,878	1,028,932	4,470,947	453,685	4,017,262
<u>2011 PP INTERNAL SERVICE FUND</u>							
CALLE REAL SOLAR PROJECT	1920	063	6,894,014	1,282,122	5,611,892	537,671	5,074,221
TOTAL COP DEBT			\$115,465,227	\$15,473,933	\$99,991,294	\$8,295,574	\$91,695,719