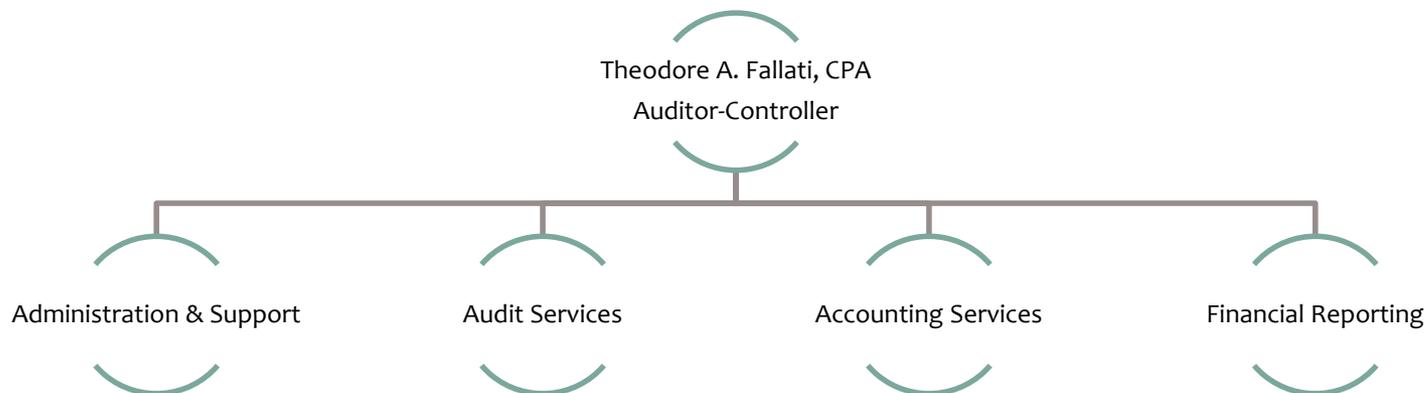


2016-2018 BUDGET WORKSHOP

Auditor-Controller



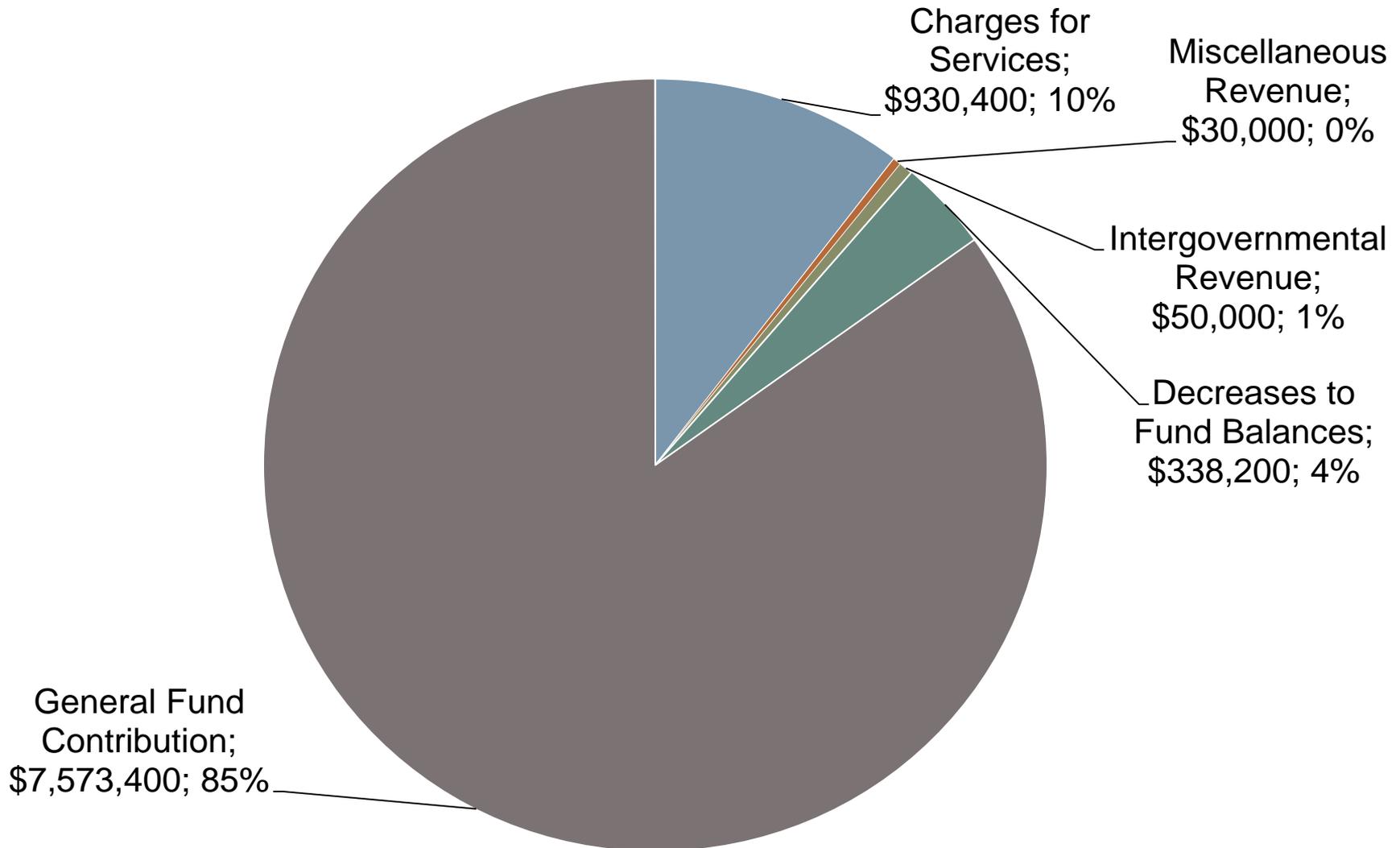
Overarching Business Trends

- External forces and internal demands such as new legislation, new Federal & State programs, and Board requests
- Aging and maintenance of financial systems and technology changes require upgrades and enhancements
- Maintain staffing service levels in the department and throughout the County through timely recruitment and training of new staff
- Continue to rebuild staffing levels created by cuts during the economic downturn
- Demand for our fiscal expertise by other departments or projects

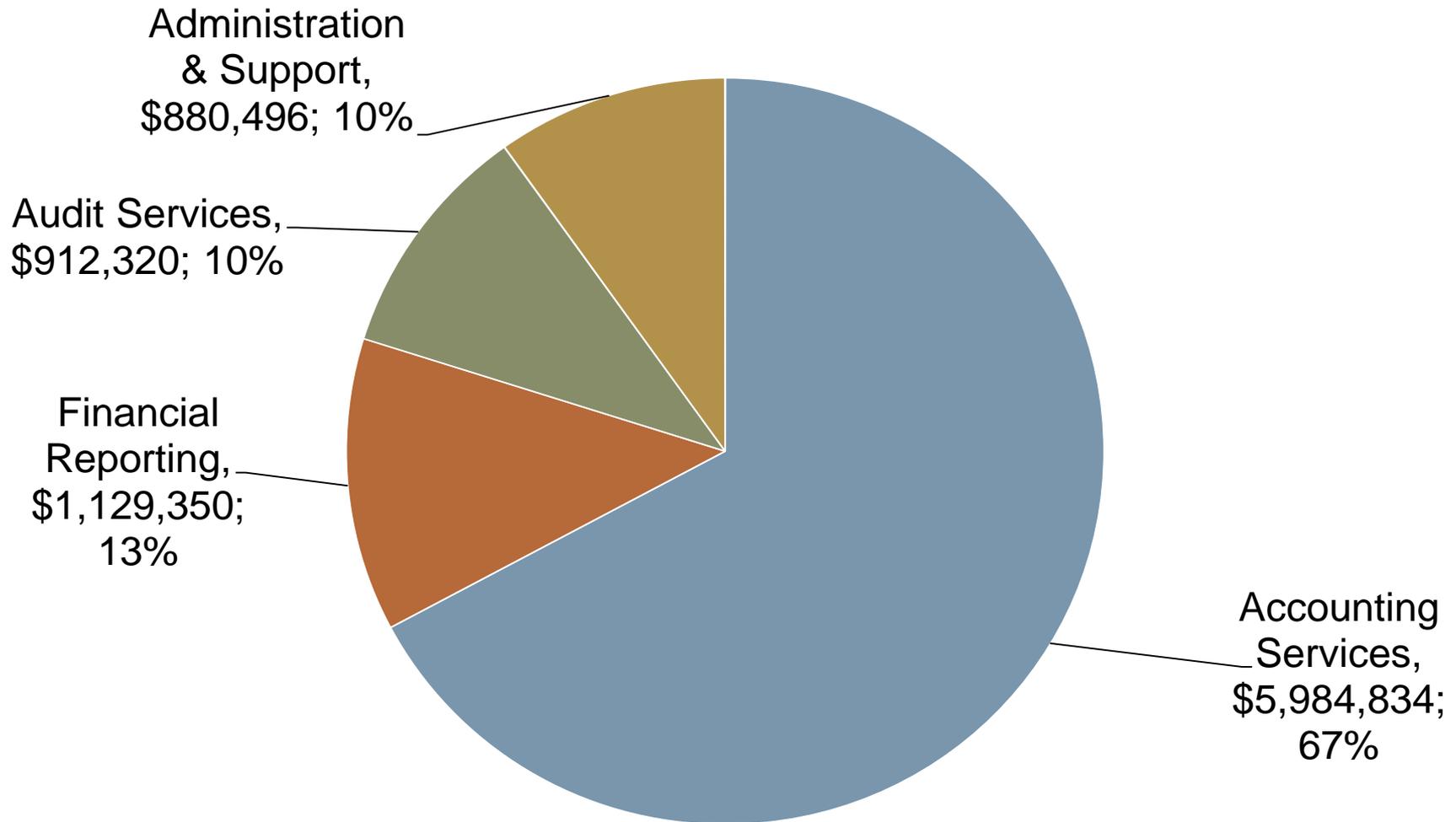
Summary

- Operating \$8,922,000
- Capital \$15,000
- General Fund \$7,573,400
- FTE's 49.25
- Use of One Time For On-going Operations \$333,200
- Expansion Requests \$94,000
- A-C General Revenue Cost Allocation increased \$537,000 to \$3,420,000

FY 16-17 Source of Funds

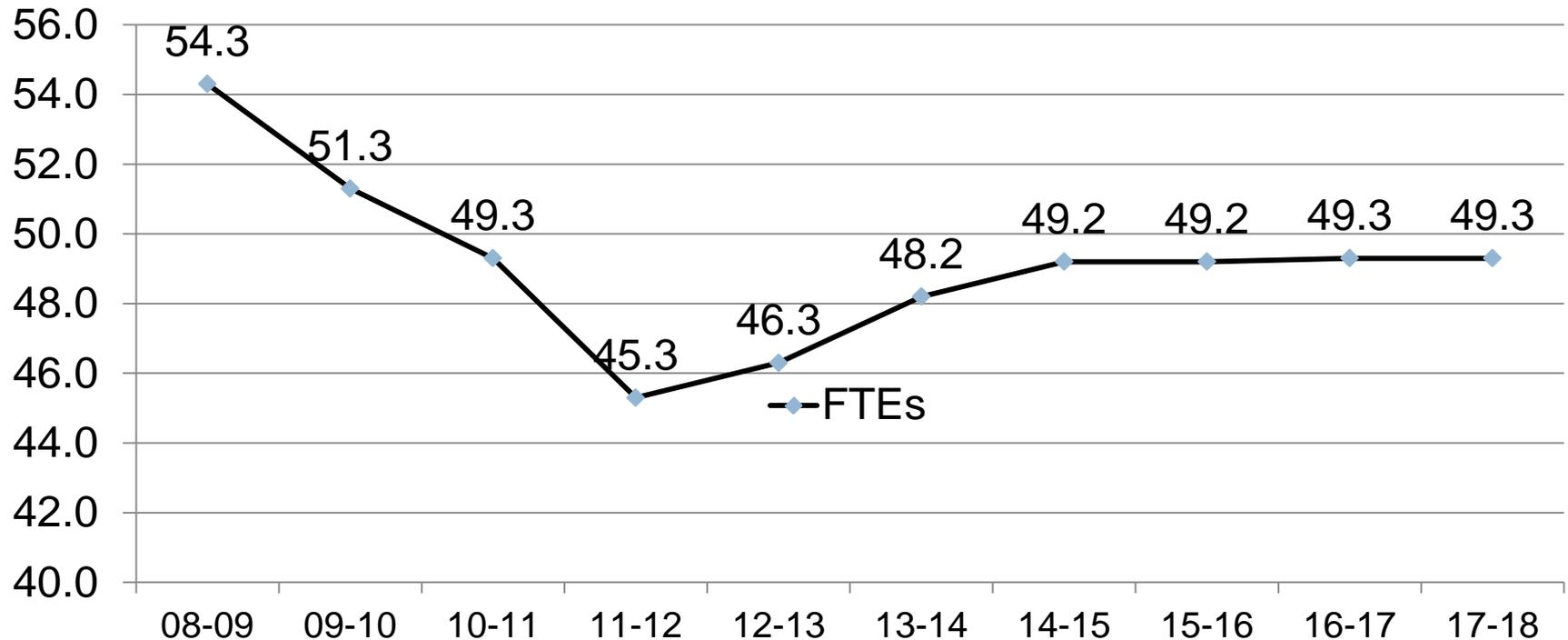


FY 16-17 Use of Operating Funds

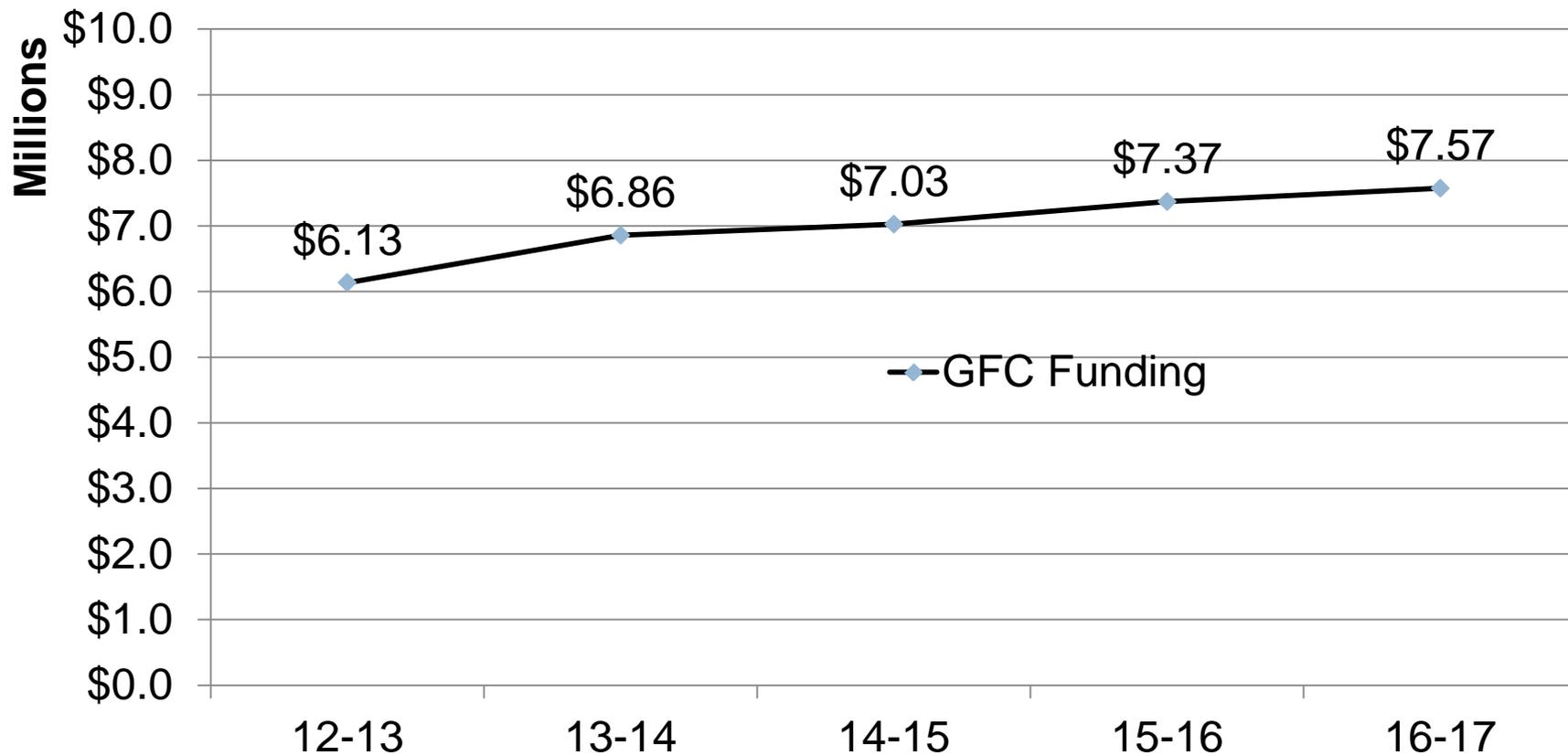


Staffing Summary

- 49.2 FTE FY 15-16 Adopted
- 49.25 FTE FY 16-17 Recommended; FY 17-18 Proposed



GFC 5 Year Summary



FY 2015-16 Anticipated Accomplishments

- Maintained a commitment to keep the public informed on matters concerning public finances by providing and distributing concise, reader-friendly publications.
- Finishing Phase 2 of new Property Tax System.
- Completed development and deployment of a web based Countywide time capture system in February 2016.
- Generated, reconciled, and managed the expense reimbursement process for the Refugio Oil Spill.

FY 2016-18 Objectives

- Transition leadership resulting from the retirement of Auditor-Controller with 25 years of service as the elected Auditor.
- Complete Phase 3 of the implementation of the Property Tax System in order to optimize the vendor product.
- Plan for the administration of the consolidated RDA Oversight Board (7/1/2018) and the RDA dissolution process.
- Distribute an estimated \$850 to \$875 million in property taxes to local agencies annually.

FY 2016-18 Objectives

- Provide accounting and grant compliance oversight for the Northern Branch Jail project.
- Maintain and enhance the 65 applications in the A-C that serve multiple departments and County agencies.
- Manage biweekly payroll process for approximately 4,500 employees.
- Validate and record 105,000 transactional documents, an average of almost 500 per day, which include claim payments, vendor changes, general ledger accounting transactions, budget entries, deposit entries, and journal entries.

Performance Measures

Description	2013-14 Actual	2014-15 Actual	2015-16 Est.Act	2016-17 Rec.	2017-18 Prop
Percentage of A-C mandatory audits completed by legal due date	85% 11/13	100% 5/5	100% 4/4	100% 5/5	100% 5/5
Percentage of annual payroll disbursements to employees through Direct Deposit	98% 4,149/4,229	98% 4,310/4,392	98% 4,403/4,472	100% 4,500/4,500	100% 4,500/4,500
Percentage of employees using automated time entry system	86% 3,622/4,210	88% 3,837/4,376	92% 4,069/4,441	95% 4,275/4,500	95% 4,275/4,500
Complete the County's Comprehensive Annual Financial Report within 60 days and receive the GFOA Certificate of Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes
Percentage of annual disbursements to County vendors through direct deposit (ACH), rather than Warrant	55.7% 64K/115K	59.5% 66K/112K	60.4% 69K/115K	61% 70K/115K	62% 71K/115K

Performance Measures (Continued)

Description	2013-14 Actual	2014-15 Actual	2015-16 Est.Act	2016-17 Rec.	2017-18 Prop
Percentage of total dollar disbursements to County vendors paid through direct deposit (ACH), rather than Warrant	80% \$449K/\$561K	82% \$480K/\$587K	83% \$486K/\$586K	84% \$492K/\$586K	85% \$498K/\$586K
Number of financial reports viewable by interested parties (Public/County employees) that will increase transparency of the County's fiscal position and availability of financial information	65	68	88	88	88
Number of popular annual financial highlight reports produced timely	5	4	4	5	5
Percentage of department budget expended on training	1% \$77K/\$7.7M	1% \$82K/\$8.2M	1% \$86K/\$8.6M	1% \$89K/\$8.9M	1% \$93K/\$9.3M
Percentage of staff with one or more professional licenses or designations	49% 22/45	50% 24/48	56% 27/48	59% 29/49	61% 30/49

FY 16-17 Efficiencies

- The new time capture system includes many new front-end edits which significantly reduce the number of errors and rework in the payroll system. The edits are applied while the employee enters their time versus back-end editing by the payroll application.
- Incremental cost savings as we increase the number of vendor payments paid by electronic ACH transactions as opposed to printed warrants (checks).
- Implement new departmental micro purchase limits and credit card limits for individual transactions up to \$3,500 per transaction to align with Federal Super Circular.

Service Level Reductions

NONE

Key Challenges and Emerging Issues

- Phase 3 implementation of new vendor Property Tax System
 - Secured taxes, unsecured taxes, supplemental taxes, bonds, & assessments
 - Refunds, corrections & distributions
- Implementation of compensation provisions for Bargaining Unit Memorandums of Understanding
- Contract Monitoring and Management Project
- Departments/County implement new programs or projects which require fiscal abilities not readily available at the Department level
 - ex. AB109, various realignment programs, home energy improvement loans, RDA, HR programs
- Loss of key staff members
- Provide instructors to the Employee University for 3 levels of governmental accounting classes

Budget Enhancement Requests

- Budget Enhancement Request: \$94,000
- We are requesting to restore funding for one Accountant-Auditor through an on-going increase of GFC related to A-C cost allocation revenue recovered in General Revenues.
- The General Fund General Revenues for Cost Allocation generated by the Auditor-Controller Department's recovery of cost mainly from Federal and State programs grew by \$675,000 from the FYE 2014-15 to the FYE 2015-16 and \$537,000 from the FYE 2015-16 to the FYE 2016-17.
- Although not included with this year's Auditor request, we believe to get to optimal staffing of 52.0 FTEs, we would need to hire a Financial Accounting Analyst and an additional Accountant-Auditor I.

Summary

- To ensure the financial integrity of the County of Santa Barbara by providing superior financial services, maintaining the public trust, and promoting governmental efficiency, effectiveness, and accountability
- The Department is the leading financial management resource of the County and its long term vision includes a well-run, financially sound County, an informed public, and a model County Department with a knowledgeable and effective staff. The Department is governed by the overriding principles of fiscal integrity, objectivity, customer service, and continuous improvement.

Summary

- With adequate staffing, we can maintain constancy of purpose, consistency of effort, and further implement the Deming philosophy that results in –

*“Better Thinking,
Extraordinary Results, and
Everybody Wins!”*