

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date **Held Until**
 ___/___/___ ___/___/___
Agenda Item No: **Agenda Item No:**

Department: County Administrator/Clerk-Recorder-Assessor

() **4/5 Vote Required**

Contact:
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Phone:
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Board Date:
5/5/09

Deadline for Board Action:

AGENDA SHORT TITLE: Assessor’s Office Benchmark and Cost-Benefit Analysis Project Report

REQUESTED BOARD ACTION: Accept the Assessor’s Office Benchmark and Cost-Benefit Analysis (CBA) Project Report and direct staff to return with an implementation plan by fall of 2009.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES

ADD'L FUNDS REQUIRING BOARD APPROVAL

Estimated Cost

0 **Contingencies**
(Fund Name:)

Amount Budgeted

0 **Unanticipated Revenue**
(Source:)

Other Avail Approp
(Explain below)

Other Transfer(s)
(Source:)

Additional Requested:

Add'l Funds Requested:

Explanation (if required):

Prior Board Action(s): 3-18-2009 FY 2008-2009 Budget Policy Workshop action provided for a third consecutive year of General Fund back-fill up to \$1.2 million for the lost state Property Tax Administration Program funds, and staff alerted the Board they would re-issue an RFP for consultant services to complete a Benchmark and CBA project; 11-18-2008 Board action awarded professional services agreement to Archstone Consulting, LLC.

Alternatives - Results of Non-Approval: If report is not accepted and direction to return with implementation plan is not given, business process improvements to gain efficiencies will not be completed

Background:

From 1995 through 2005, the Property Tax Administration Program (PTAP) provided state funding to County Assessors, who were facing substantial work backlogs created by budget cuts and increased valuation activity driven by Proposition 8 value reductions. Since 2005, the Sonoma County Board of Supervisors has provided additional General Fund support of up to \$1.2 million annually to back-fill the State revenue loss. However, the State's FY 2007-08 proposed budget (May Revise) indicated that the Governor's administration perceived minimal fiscal benefit from establishing a successor funding program for County Assessors. Therefore, the Sonoma County Board of Supervisors directed staff to complete an independent benchmark and cost-benefit analysis to identify potential efficiencies in the Assessor's current operational processes.

For the Assessor's Office Benchmark and Cost-Benefit Analysis Project, Sonoma County engaged Archstone Consulting to conduct an assessment with the following objectives:

- Complete independent benchmark analysis to identify relative office performance compared to the Assessor's Offices of other counties
- Review the appropriateness of continued back-fill of Property Tax Administration Program (PTAP) funding by the Sonoma County Board of Supervisors
- Develop recommendations for improvement based on "Best Management Practices" to allow the Office to operate with greater efficiency and effectiveness

The benchmark analysis indicated that Sonoma's overall performance across eight metrics of high performance ranked it in the top third of a comparable group of 27 counties. The performance indicators measured performance across three broad categories: 1) Budget Efficiency and Productivity; 2) Workload Completion; and 3) Quality and Timeliness. Overall, Sonoma is funded and staffed at levels comparable to many other counties, and demonstrates an overall level of efficiency consistent with the average. Several counties demonstrated particularly high levels of efficiency, suggesting opportunities for Sonoma to improve operations performance further.

The report also includes key findings regarding the appropriateness of continued back-fill of PTAP funding by the Board of Supervisors. Upon PTAP expiration, 63% of evaluated counties either maintained headcount at PTAP levels or increased beyond that through '06 - '07. Sonoma's reduction of 6% (4.6 FTEs) of its budgeted headcount since '04 - '05 ranks as the 3rd largest percentage reduction across the 22 counties, suggesting that Sonoma has received relatively less General Fund support to back-fill PTAP staffing levels than other counties. The report also concluded the Assessor's Office could operate without budgeted positions that were unfilled and not back-filled by extra help at the time of the assessment notwithstanding current Proposition 8 workload pressures. In conjunction with the benchmark analysis results of overall performance and efficiency, findings suggest that there are no further staffing and budget improvement opportunities associated with the PTAP back-fill decision.

The assessment of current operations was based on findings from internal interviews with 38 office staff, detailed process analysis, and interviews with three high performing counties. Nine major recommendations were developed that would allow the county to operate at a further reduced resource level, and included changes to technology; processes and organization; and office policy. Only one recommendation, implementing a Computer Aided Mass Appraisal System (CAMA), requires upfront investment by the county.

The total estimated benefit from implementing the report's recommendations, minus associated costs, is estimated at a total of \$1.1 million for the two budget years ending in '10 – '11, and an annual savings of \$1 million in the years going forward.

Requested Action:

County Administrator and Clerk-Recorder-Assessor recommend the Board of Supervisors accepts the Benchmark and Cost-Benefit analysis report and direct staff to return with an implementation plan by fall of 2009.

Attachments: Sonoma County Assessor's Office Benchmark and Cost-Benefit Analysis Project Report by Archstone Consulting

On File With Clerk: None

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Board Action (If other than "Requested")

Vote:

