

002 - ASSESSOR

Operational Summary

Mission:

To serve the citizens of Orange County by valuing all legally assessable property with uniformity and impartiality, producing property tax assessment rolls in accordance with the laws of the State of California, and helping property owners to understand their property valuations.

Strategic Goals:

- Identify and properly value all taxable property in Orange County.
- Make property valuation information more accessible and easier to understand.
- Enhance operational efficiency and productivity through the implementation of new technology, policies and procedures.
- Encourage employee development by providing access to relevant training opportunities.

Key Outcome Indicators:

| Performance Measure | 2004 Business Plan | 2005 Business Plan | How are we doing? |
|---|---|--|---|
| | Results | Target | |
| VALUE ALL TAXABLE PROPERTY IN ORANGE COUNTY. What: Fulfills the Assessor's Constitutional mandates. Why: Implements the provisions of Proposition 13 and other property tax laws. | Valued 845,293 real property parcels and 165,814 business/personal property accounts. | Continue to value all taxable property in the County. | We continue to respond to market dynamics and real estate transactions that have increased significantly from year to year, as well as changes in property tax laws and a workload that is increasing and shifting continually. |
| PUBLISH THE SECURED AND UNSECURED ASSESSMENT ROLLS OF VALUE EVERY JULY. What: Fulfills the Assessor's Constitutional mandates. Why: Establishes the basis for property tax assessments that fund schools and local government services. | Published the secured and unsecured assessment rolls in July 2004. | Publish the secured and unsecured assessment rolls in July 2005. | We are in the process of valuing all taxable property in the County for the FY 2005-06 assessment rolls of value. |
| IMPLEMENT HOMEOWNER, VETERAN & INSTITUTIONAL EXEMPTIONS FOR ELIGIBLE INDIVIDUALS AND ORGANIZATIONS. What: Limits or reduces taxable value, as mandated by the State Constitution. Why: Qualifying individuals and organizations receive the tax-saving benefits of these exemptions. | More than 500,000 Homeowner, Veteran and Institutional exemptions were enrolled. | Implement exemptions in accordance with property tax laws. | We process claims and application forms on a continuous basis. |

At a Glance:

| | |
|---|------------|
| Total FY 2004-2005 Projected Expend + Encumb: | 30,184,863 |
| Total Recommended FY 2005-2006 | 31,785,410 |
| Percent of County General Fund: | 1.22% |
| Total Employees: | 337.00 |



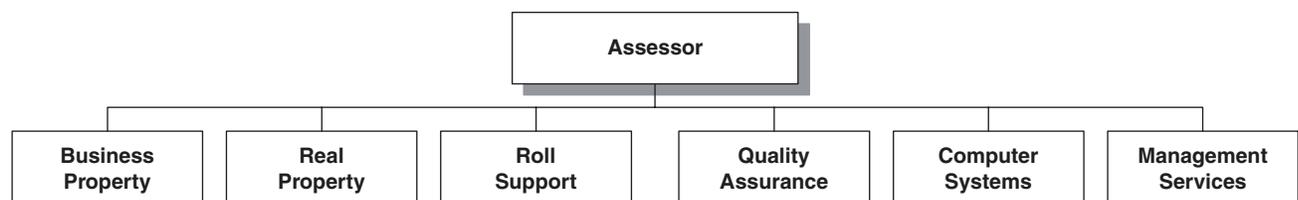
Key Outcome Indicators: (Continued)

| Performance Measure | 2004 Business Plan Results | 2005 Business Plan Target | How are we doing? |
|---|--|---|---|
| APPLY TAXABLE VALUE RESTRICTIONS ADOPTED BY CALIFORNIA VOTERS. What: Restricts taxable value based on qualifying events. Why: Implements Prop. 13 and other property tax laws that restrict the taxable value of property. | Applied taxable value restrictions to eligible parcels in accordance with property tax laws. Value may be restricted if property declines in value, is transferred between parent and child, or is purchased as a replacement residence by a senior citizen or disabled property owner. | Continue to apply taxable value restrictions to eligible properties in accordance with property tax laws. | We process claims and application forms on a continuous basis, and evaluate Prop. 8 parcels annually. |
| CONTINUE TO PRODUCE LOCAL ASSESSMENT ROLLS THAT MEET LEGAL QUALITY STANDARDS. What: The SBE conducts periodic surveys to determine if assessment rolls meet legal quality standards. Why: Reduces appeals and related costs, provides uniformity statewide, builds confidence in the system. | In the most recent survey conducted by the State Board of Equalization (SBE), Orange County's local assessment rolls meet legal quality standards established by Government Code Sections 15640 and 15642. The minimum legal quality rating is 95.0%, and Orange County's rating is 98.6%. | Continue to produce assessment rolls in accordance with property tax laws. | The Orange County Assessor and staff continually monitor the status of property tax laws and state rules. Property assessment practice is modified to implement changes in the law. |

FY 2004-05 Key Project Accomplishments:

- On July 21, 2004, the California Supreme Court denied the petition to review the decision by the Court of Appeal. The Court of Appeal ruled that a temporary reduction of property assessment under Proposition 8 does not establish a new lower base value. The court noted that such a change in base value would be inconsistent with Proposition 13. This action concluded the legal review of this case. The issues of uniformity and market value assessments under the limits set by Proposition 13 are resolved.
- Businesses that operate in California are required by law to report business personal property holdings to the County Assessor in which the property is located. Property is reported annually on standard business property statement forms approved by the State Board of Equalization. The Orange County Assessor was appointed by the California Assessors' Association to take the lead role in developing a centralized on-line system that businesses could use to file property statements statewide. The Standard Data Record (SDR) system was implemented in March 2005.
- Orange County is the most productive of all urban California counties in terms of roll units worked per appraiser according to the latest report from the State Board of Equalization.
- Staff productivity, as measured by the number of assessed parcels per authorized position, has increased 61.3%, from 1,550 parcels per authorized position in 1975 to 2,500 in 2004.

Organizational Summary



Assessment Of Business Property - Audits and appraises business personal property and assesses all trade fixtures, leased equipment, boats and aircraft with taxable situs in Orange County.

Assessment Of Real Property - Appraises real property, new construction and reassessable changes in ownership, and maintains records on all real property parcels including residential, commercial, rural, industrial and special use properties.

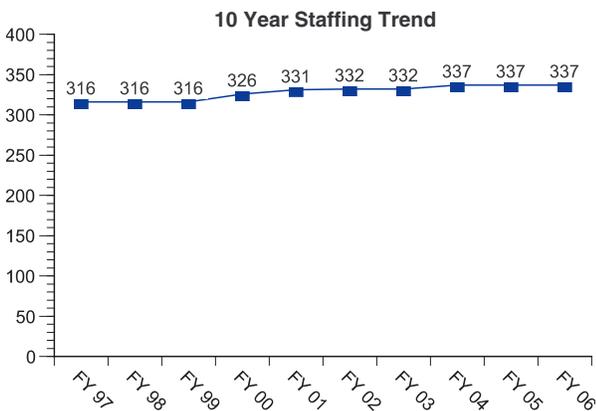
Roll Support - Reviews and maintains recorded documents evidencing a change in ownership of real property, prepares Assessor parcel maps and processes Homeowner, Veteran and Institutional exemptions.

Quality Assurance - Provides appraisal methodologies, procedures, training and quality control for roll production, audit and appraisal staff.

Computer Systems - Provides programming and data processing services, system security and technical services to support the development of the assessment rolls of value.

Management Services - Provides fiscal management, process integration, contract administration, procurement and personnel services, general department administration and public service support to the public and other government agencies.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Twenty-one (21) positions were deleted in FY 1995-96 due to the County bankruptcy. Extra help and overtime labor has been used as appropriate to complete the work.
- Ten (10) positions were added back in January 1999 to accommodate the increased workload base, and to help with the annual workload increases. The department still had a significant shortage in permanent labor hours.
- Five (5) unfunded limited-term positions were added in FY 2000-01 to manage vacancies and better accommodate recruitment timeframes and to meet a larger workload. One (1) full-time regular position was added mid-year FY 2000-01.
- Five (5) extra-help positions were converted to regular positions in FY 2002-03 to meet a growing workload and to get the department back to the 1994 staffing level. The department continues to use extra-help and overtime labor to manage seasonal workload fluctuations and complete the significant workload increase that has occurred since 1994. The staffing level also allowed the department to apply for the State-County Property Tax Administration Grant Program (AB-589).
- In March 2004, the Assessor Department received a grant from the State of California, under the AB-589 program. Positions funded by the grant are budgeted in Agency 127.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Assessor Department recognizes the County's Strategic Priorities, and will continue to operate in concert with those priorities to the extent that they do not interfere with the Department's Constitutional mandate to produce valuation rolls and provide valuation services to Orange County's property owners and businesses.



Proposed Budget History:

| Sources and Uses | FY 2003-2004 | FY 2004-2005 | FY 2004-2005 | FY 2005-2006 | Change from FY 2004-2005 | |
|--------------------|--------------|-------------------------|--|--------------|--------------------------|---------|
| | Actual | Budget As of 3/31/05 | Projected ⁽¹⁾ At 6/30/05 | Recommended | Projected Amount | Percent |
| Total Positions | - | 337 | 337 | 337 | 0 | 0.00 |
| Total Revenues | 6,699,695 | 5,732,975 | 5,753,335 | 6,720,825 | 967,490 | 16.81 |
| Total Requirements | 29,308,458 | 30,764,060 | 30,799,390 | 31,785,410 | 986,020 | 3.20 |
| Net County Cost | 22,608,763 | 25,031,085 | 25,046,055 | 25,064,585 | 18,530 | 0.07 |

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Assessor in the Appendix on page page 460

Budget Units Under Agency Control:

| No. | Agency Name | Assessment Of Business Property | Assessment Of Real Property | Roll Support | Quality Assurance | Computer Systems | Management Services | Total |
|-----|-----------------------------------|------------------------------------|--------------------------------|--------------|-------------------|------------------|------------------------|------------|
| 002 | Assessor | 4,676,568 | 8,672,809 | 7,810,404 | 728,244 | 2,183,352 | 7,714,033 | 31,785,410 |
| 127 | Property Tax Admin State Grant | 0 | 0 | 0 | 0 | 0 | 17,095,620 | 17,095,620 |
| | Total | 4,676,568 | 8,672,809 | 7,810,404 | 728,244 | 2,183,352 | 24,809,653 | 48,881,030 |

002 - Assessor

Summary of Proposed Budget by Revenue and Expense Category:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|------------------------------------|----------------------|----------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|--------------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Intergovernmental Revenues | \$ 12,864 | \$ 5,000 | \$ 5,000 | \$ 25,360 | \$ 25,360 | \$ 5,000 | \$ (20,360) | -80.28% |
| Charges For Services | 6,678,249 | 5,727,975 | 5,727,975 | 5,727,975 | 5,727,975 | 6,715,825 | 987,850 | 17.24 |
| Miscellaneous Revenues | 8,581 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total Revenues | 6,699,695 | 5,732,975 | 5,732,975 | 5,753,335 | 5,753,335 | 6,720,825 | 967,490 | 16.81 |
| Salaries & Benefits | 23,664,888 | 24,676,935 | 24,676,935 | 24,217,836 | 24,217,836 | 25,491,725 | 1,273,889 | 5.26 |
| Services & Supplies | 5,581,462 | 6,026,125 | 6,026,125 | 6,822,452 | 6,822,452 | 6,382,685 | (439,767) | -6.44 |
| Services & Supplies Reimbursements | 0 | 0 | 0 | (325,000) | (325,000) | (150,000) | 175,000 | -53.84 |
| Fixed Assets | 62,108 | 61,000 | 61,000 | 84,102 | 84,102 | 61,000 | (23,102) | -27.46 |
| Total Requirements | 29,308,458 | 30,764,060 | 30,764,060 | 30,799,390 | 30,799,390 | 31,785,410 | 986,020 | 3.20 |
| Net County Cost | \$ 22,608,763 | \$ 25,031,085 | \$ 25,031,085 | \$ 25,046,055 | \$ 25,046,055 | \$ 25,064,585 | \$ 18,530 | 0.07% |

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Proposed Budget Summary of Assessment Of Business Property:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|---------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|--------------------------|--------------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Salaries & Benefits | \$ 3,976,714 | \$ 4,291,995 | \$ 4,291,995 | \$ 4,135,751 | \$ 4,135,751 | \$ 4,504,443 | \$ 368,692 | 8.91% |
| Services & Supplies | 121,968 | 168,125 | 168,125 | 141,197 | 141,197 | 172,125 | 30,928 | 21.90 |
| Total Requirements | 4,098,682 | 4,460,120 | 4,460,120 | 4,276,948 | 4,276,948 | 4,676,568 | 399,620 | 9.34 |
| Net County Cost | \$ 4,098,682 | \$ 4,460,120 | \$ 4,460,120 | \$ 4,276,948 | \$ 4,276,948 | \$ 4,676,568 | \$ 399,620 | 9.34% |

Proposed Budget Summary of Assessment Of Real Property:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|---------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|--------------------------|--------------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Salaries & Benefits | \$ 8,453,907 | \$ 8,270,362 | \$ 8,270,362 | \$ 8,120,925 | \$ 8,120,925 | \$ 8,501,649 | \$ 380,724 | 4.68% |
| Services & Supplies | 130,486 | 165,160 | 165,160 | 106,608 | 106,608 | 171,160 | 64,552 | 60.55 |
| Total Requirements | 8,584,392 | 8,435,522 | 8,435,522 | 8,227,533 | 8,227,533 | 8,672,809 | 445,276 | 5.41 |
| Net County Cost | \$ 8,584,392 | \$ 8,435,522 | \$ 8,435,522 | \$ 8,227,533 | \$ 8,227,533 | \$ 8,672,809 | \$ 445,276 | 5.41% |

Proposed Budget Summary of Roll Support:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|---------------------------|--------------|--------------|---------------|--------------------------|---------------|-------------|--------------------------|---------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Charges For Services | \$ 1,219 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0.00% |
| Total Revenues | 1,219 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Salaries & Benefits | 7,035,903 | 7,594,284 | 7,550,933 | 7,718,219 | 167,286 | 2.21 | | |
| Services & Supplies | 118,290 | 87,185 | 58,830 | 92,185 | 33,355 | 56.69 | | |
| Total Requirements | 7,154,194 | 7,681,469 | 7,609,763 | 7,810,404 | 200,641 | 2.63 | | |
| Net County Cost | \$ 7,152,975 | \$ 7,681,469 | \$ 7,609,763 | \$ 7,810,404 | \$ 200,641 | 2.63% | | |

Proposed Budget Summary of Quality Assurance:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|---------------------------|--------------|------------|---------------|--------------------------|---------------|-------------|--------------------------|---------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Salaries & Benefits | \$ 690,946 | \$ 788,520 | \$ 787,598 | \$ 708,994 | \$ (78,604) | -9.98% | | |
| Services & Supplies | 8,293 | 15,250 | 6,916 | 19,250 | 12,334 | 178.34 | | |
| Total Requirements | 699,239 | 803,770 | 794,514 | 728,244 | (66,270) | -8.34 | | |
| Net County Cost | \$ 699,239 | \$ 803,770 | \$ 794,514 | \$ 728,244 | \$ (66,270) | -8.34% | | |

Proposed Budget Summary of Computer Systems:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|---------------------------|--------------|--------------|---------------|--------------------------|---------------|-------------|--------------------------|---------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Salaries & Benefits | \$ 1,924,827 | \$ 1,929,564 | \$ 1,919,565 | \$ 2,155,552 | \$ 235,987 | 12.29% | | |
| Services & Supplies | 24,566 | 23,800 | 13,781 | 27,800 | 14,019 | 101.72 | | |
| Fixed Assets | 8,945 | 0 | 0 | 0 | 0 | 0.00 | | |
| Total Requirements | 1,958,337 | 1,953,364 | 1,933,346 | 2,183,352 | 250,006 | 12.93 | | |
| Net County Cost | \$ 1,958,337 | \$ 1,953,364 | \$ 1,933,346 | \$ 2,183,352 | \$ 250,006 | 12.93% | | |

Proposed Budget Summary of Management Services:

| Revenues/Appropriations | FY 2003-2004 | | FY 2004-2005 | | FY 2004-2005 | | Change from FY 2004-2005 | |
|----------------------------|--------------|-----------|---------------|--------------------------|---------------|-------------|--------------------------|---------|
| | Actual | Budget | As of 3/31/05 | Projected ⁽¹⁾ | As of 6/30/05 | Recommended | Projected | Percent |
| Intergovernmental Revenues | \$ 12,864 | \$ 5,000 | \$ 25,360 | \$ 5,000 | \$ (20,360) | -80.28% | | |
| Charges For Services | 6,677,030 | 5,727,975 | 5,727,975 | 6,715,825 | 987,850 | 17.24 | | |
| Miscellaneous Revenues | 8,581 | 0 | 0 | 0 | 0 | 0.00 | | |
| Total Revenues | 6,698,476 | 5,732,975 | 5,753,335 | 6,720,825 | 967,490 | 16.81 | | |
| Salaries & Benefits | 1,582,592 | 1,802,210 | 1,703,064 | 1,902,868 | 199,804 | 11.73 | | |

Proposed Budget Summary of Management Services:

| Revenues/Appropriations | FY 2003-2004 | FY 2004-2005 | FY 2004-2005 | FY 2005-2006 | Change from FY 2004-2005 | |
|---------------------------------------|--------------|-------------------------|---|--------------|--------------------------|----------------------|
| | Actual | Budget As of 3/31/05 | Projected ⁽¹⁾ As of 6/30/05 | Recommended | Projected Amount | Projected Percent |
| Services & Supplies | 5,177,858 | 5,566,605 | 6,495,120 | 5,900,165 | (594,955) | -9.16 |
| Services & Supplies Reimbursements | 0 | 0 | (325,000) | (150,000) | 175,000 | -53.84 |
| Fixed Assets | 53,163 | 61,000 | 84,102 | 61,000 | (23,102) | -27.46 |
| Total Requirements | 6,813,613 | 7,429,815 | 7,957,286 | 7,714,033 | (243,253) | -3.05 |
| Net County Cost | \$ 115,138 | \$ 1,696,840 | \$ 2,203,951 | \$ 993,208 | \$ (1,210,743) | -54.93% |