



COUNTY OF LOS ANGELES
REGISTRAR-RECORDER/COUNTY CLERK
12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

CONNOR B. McCORMACK
Registrar-Recorder/County Clerk

May 21, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE 2001-02 APPROPRIATION ADJUSTMENT FOR THE DEPARTMENT OF
REGISTRAR-RECORDER/COUNTY CLERK
(ALL DISTRICTS) (4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached appropriation adjustment appropriating \$4,670,000 in over-realized recording fee revenue to offset various unanticipated recorder and election function expenditures.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Registrar-Recorder/County Clerk (RR/CC) is requesting Board approval of an appropriation adjustment in the amount of \$4,670,000 to offset unanticipated heightened expenditures as a result of: 1) additional overtime and temporary staffing usage due to unanticipated activity in the recorder and election operations in the amount of \$700,000; 2) unbudgeted service and supply requirements necessary for the Department to continue meeting operational responsibilities in the amount of \$3,700,000; and 3) fixed asset equipment requirements for data storage of critical recorder documents in the amount of \$270,000.

Within the past fiscal year, our document recorder operations have experienced a significant workload increase due to an unanticipated surge in refinancing activity attributable to declines in interest rates. As a result, a substantial amount of unbudgeted overtime and temporary staffing in the amount of \$700,000 has been utilized in an attempt to keep up with the workload demands.

The Department is also estimating an unanticipated expenditure of \$3,700,000 in Services and Supplies primarily attributed to the following: 1) enhanced election ballot requirements due to Census 2000 redistricting coupled with complex new Modified Closed Primary election ballot formatting requirements; and 2) increased utilization of Recorder forms, supplies and postage directly attributed to the surge in real estate market activity.

We are also experiencing an increased need for fixed assets in the amount of \$270,000 as a result of increases in data storage requirements to store the influx of critical real property documents. Dramatic increases in property document recordings have surpassed the planned scheduled growth of document image storage capacity. As of March of 2002, digitized property document volumes rose to 2,082,000 documents, exceeding the total document volume for all of last fiscal year. Additionally, pages per document have increased by an average of 2.5 pages, even further compounding our data storage problem. Individual digitized page counts as of March of 2002 were 8,908,000 as compared to 7,545,000 for all of last fiscal year. Each page requires approximately 80,000 bytes of data storage and with at least 12 million pages estimated for this fiscal year, additional disk storage devices with a capacity of up to four terabytes are required.

Based on recording fee revenue collected through April 2002, we estimate a surplus in our recording fee budget that will sufficiently offset the appropriation adjustment request of \$4,760,000.

Implementation of Strategic Plan Goals:

This request supports the County's Strategic Plan as follows:

Goal No. 1: Service Excellence: Provide the public with easy access to quality information and services that are both beneficial and responsive through appropriation of over-realized revenue to continue providing the public with quality and efficient recorder, County clerk and election services.

Goal No. 4: Fiscal Responsibility: Strengthen the County's fiscal capacity. Manage effectively the resources we have by realigning appropriation and estimated revenues to more appropriately reflect our current fiscal environment.

FISCAL IMPACT/FINANCING

The requested appropriation adjustment is necessary to increase: 1) Salaries and Employee Benefits by \$700,000 to cover temporary staffing and overtime expenditures; 2) Services and Supplies by \$3,700,000 to ensure that the Department meets its current expenditure and contractual obligations, and 3) Fixed Assets by \$270,000 to fund critical recorder document data storage equipment to meet public service requirements. The requested appropriation adjustment is fully funded by increased recording fee revenues resulting from increases in refinancing activity in the real estate market primarily due to interest rate reductions. This requested action will not increase net County cost.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The requested appropriation adjustment does not impact current election and recorder/County clerk operations.

Respectfully submitted,

CONNOR B. McCORMACK
Registrar-Recorder/County Clerk

CMC:AS
Attachment (1)

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
Auditor-Controller