



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 20, 2003

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 2002-03 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 \$7.2 million in over-realized recording fee revenue to offset various unanticipated recorder and election requirements.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The Registrar-Recorder/County Clerk (RR/CC) is requesting Board approval of an appropriation adjustment in the amount of \$7.2 million to offset heightened expenditures of \$6.5 million in services and supplies and \$0.7 million in fixed assets.

Within the last two fiscal years, our document recording operations have experienced a significant workload increase due to surges in refinancing activity attributable to continuing low interest rates. The Department is projecting an unanticipated expenditure of \$2.4 million in Services and Supplies resulting primarily from increased utilization of Recorder Fraud Notification services directly attributed to the upsurge in real estate market activity. As prescribed by law, the RR/CC is required to provide notification by mail within 30 days of recording, to each principal party signing recorded documents, that document(s) have been recorded and allows the affected party to respond with any disputes or inquiries. In Fiscal Year 00-01, there were 652,174 notifications mailed and processed compared to an estimated 1.3 million notifications for Fiscal Year 02-03 (based on 877,085 notifications mailed through February 2003). This represents an estimated 100% increase in activity from Fiscal Year 00-01. Additional unanticipated increases in expenditures have occurred in computer hardware, software and supplies also attributable to elevated document recording activity.

This appropriation adjustment also reflects a \$4.1 million one-time Services & Supplies purchase of election-critical Electronic Poll Books. The Electronic Poll Book is a computerized listing of all County registered voters which will allow the precinct worker to quickly and easily look up a precinct voter and validate that the voter is in the correct precinct for voting. It will provide the pollworker with the ability to quickly identify the voter's correct precinct and redirect them if necessary, provide a printed update of hourly voter history at the polls thereby relieving the pollworker of manually tracking voters and crossing out names, and provide an electronic update to the master voter history record. The unit will be easy to use with the ability to 'read' the bar code from the voter's sample ballot or the magnetic strip from the California Driver License or identification card as well as manually entering a voter's name. The benefits of the system to the pollworker is greatly improved accuracy and reliability in looking up a voter's name and precinct, reduced effort in tracking the hourly voter turnout, greatly reduced time and improved accuracy updating voter master file history data and a significant reduction in preprinted paper reports sent to the precinct. Additionally, the new system will result in improved service to the voter, improved productivity and ease of use for County staff, and improved service to the candidate community. Given the Department's current trends in recorder revenue collections, we would like to take this opportunity to self-fund the Electronic Poll Books while revenues are still available to the Department. The Electronic Poll Books are an important accompaniment to the interim voting system phase of future electronic voting in all 5,000 precincts.

We are also experiencing an increased demand for fixed assets in the amount of \$0.7 million as a result of increases in data storage, scanning, imaging, copying, and mail processing requirements to properly maintain the influx of critical real property documents. Continuing increases in property document recordings have surpassed the planned scheduled growth of our Department's current document management capabilities. Based on year-to-date document recordings through March 2003, it is estimated that approximately 3.4 million property documents will be recorded in the current fiscal year compared to 2.8 million in Fiscal Year 01-02 and 2.1 million in Fiscal Year 00-01. This represents a 62% increase from Fiscal Year 00-01 to the current fiscal year estimate.

Based on recording fee revenue collected through April 2003, a surplus in our recording fee budget will exceed the appropriation adjustment request of \$7.2 million.

### **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 fully funded by increased recording fee revenues resulting from continuing increases in refinancing activity in the real estate market due to low interest rates. This requested action would not increase net County cost.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

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

Respectfully submitted,

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CONNOR B. McCORMACK  
Registrar-Recorder/County Clerk

CMC:AS  
Attachment (1)

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

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COUNTY OF LOS ANGELES  
**REQUEST FOR APPROPRIATION ADJUSTMENT** DEPT'S. No. 710  
 DEPARTMENT OF Registrar Recorder/County Clerk May 8, 2003

**AUDITOR-CONTROLLER.**  
 THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION

**ADJUSTMENT REQUESTED AND REASONS THEREFOR**

FY 2002-2003  
 (4 Votes)

Sources

Registrar Recorder/County Clerk  
 Recording Fee Revenue  
 A01-RR-11300-9341  
 \$7,200,000

Uses

Registrar Recorder/County Clerk  
 Services and Supplies  
 A01-RR-11300-2000  
 \$6,500,000  
  
 Fixed Assets  
 A01-RR-11300-6030  
 \$700,000

\$7,200,000

This budget adjustment is necessary to appropriate \$7,200,000 in over-realized recording fee revenue to offset various unanticipated recorder and election function expenditures.

*Kathleen Connors*  
 Kathleen Connors, Chief

CHIEF ADMINISTRATIVE OFFICER'S REPORT

Finance & Management Division

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR—	ACTION	APPROVED AS REVISED BY	AS REVISED
✓ RECOMMENDATION		<i>o/f/03</i>	<i>[Signature]</i>
AUDITOR-CONTROLLER BY <i>[Signature]</i>		APPROVED (AS REVISED): BOARD OF SUPERVISORS	19
No. 236	MAY 8 2003	BY	DEPUTY COUNTY CLERK

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