



Strengthening the County's Contingency

October 14, 2008

Condition Red

- Chaos in the financial markets
- Lack of confidence in the State's Budget
- Departments experiencing significant drop off in predicted revenue
- Anticipate overall County general fund revenues not coming in on target

Submitted by Dayle Erb -
Hansen - CFO
at Board Hearing of 10/14/08
#45

Preparing for the worst

- Monitor appropriations closely
- Act quickly
- Increase contingency in general fund and special revenue funds

General Fund Contingency

- Need a stronger "savings" to respond to potential revenue shortfalls
 - Currently at 3% = \$5,889,711
 - Recommend going to 5% = \$9,607,776
 - Increase of \$3.7M
- Any Contingency remaining at year-end would roll into fund balance and reduce FY 2009-10 shortfall
- Appropriation reductions improve 5 Year Forecast

Special Revenue Funds Contingency Status

- Public Health - currently at \$5.6 million
- Mental Health – current budget plan builds fund balance
- Community Services – No contingency budget
- DOT – to be reviewed on Oct 28th
 - \$1.4 million Road Fund Contingency

Outcome after Reductions

- Departments can still provide, at a minimum, core basic services
- Public able to reasonably access services
- Expectations of employees that are achievable

Needing to Respond Now

- **Development Services**
 - \$2-2.4M in projected revenue shortfall
 - Reductions or fee increases needed now

- **Senior Day Care**
 - \$100K in projected revenue shortfall
 - Reductions or fee increases needed now
 - Possibly not open EDH senior day care

Confirming - Off the Table?

- Deputy Sheriffs positions
- Veteran's Affairs
- Senior Nutrition Program
- Aid to Fire

To Be Considered? - Discretionary Programs

- Museum
- Economic Development
- Elder Abuse Protection Unit
- Sheriff's stipend
- Others?

To Be Considered? – Staffing Options

- 4/8's – difficult to implement equitably and efficiently, uncertainty of savings
- Furloughs – Board can direct a temporary layoff of up to 10 days of specific employees or classifications
- Golden Handshakes – eliminate higher cost employees but at a future cost

Confirming – Down to core functions or little to no cost benefit?

- UCCE
- Elections
- Development Services

Everything Else On Table – except excluded programs

- | | |
|-------------------------------|----------------------------------------|
| ■ Board Clerk/BOS | ■ Library |
| ■ Chief Administrative Office | ■ Public Health (Animal Services/EMSA) |
| ■ Assessor | ■ Human Services |
| ■ Auditor-Controller | ■ Sheriff |
| ■ Treasurer/Tax Collector | ■ District Attorney |
| ■ Human Resources | ■ Probation |
| ■ County Counsel | ■ Public Defender |
| ■ General Services/ACO | ■ Surveyor |
| ■ Information Technologies | ■ Child Support/Revenue Recovery |
| ■ Recorder-Clerk | ■ Outside contributions |
| ■ Agriculture | |
| ■ County Engineer - DOT | |
| ■ Environmental Management | |

Development Services Status

- Potential revenue shortfall of \$2-\$2.4 million
 - Permit revenue is currently at 50% of budgeted revenues when compared to this same time last year
 - Huge decline in single family dwelling permits
 - Other permit activity remains fairly constant

Development Services Direction

- Options to fix shortfall
 - Increase fee structure
 - Increased General Fund support
 - Reduction in Force
 - No presence in El Dorado Hills Office
 - Reduce hours of operation
 - Furloughs (one-time in nature)

Development Services Options

- Reduction in Force – Scenario A
 - Reduction of approximately 12 FTE from the Permit Center
 - Reduce DSD's ability to provide customer services
 - Performance standards would drop to the 70-80% level
 - Would require additional General Fund Support to balance department budget

Development Services Options

- Reduction in Force – Scenario B
 - Reduction of approximately 12 FTE from the Permit Center, Plus 5 FTE from Planning and Administration
 - Performance standards would drop to the 50-80% level
 - Planning services for building permits is reduced but priorities will be shifted to non-residential, third party and resubmittals
 - Would require General Fund support to balance budget

Development Services Options

- **Reduction in Force – Scenario C**
 - Reduction of approximately 12 FTE from the Permit Center, Plus 5 FTE from Planning and Administration, Plus additional 8 FTE from the Permit Center
 - Performance standards would drop to the 10-30% level
 - Public Assistance will prioritize counter service at the expense of returning telephone, e-mail and file research requests
 - Business licenses will still be approved in one day, but counter hours will likely need to be reduced significantly
 - Budget could be balanced with no additional General Fund support

Permit Center Performance Standards

Work Category	Process Type	Completion Target at 90 percent rate	Impact by Scenario		
			A	B	C
Public Assistance	Wait for Service	15 minutes	80%	75%	20%
	Return Calls	24 hours	80%	60%	10%
	File Research	4 hours	80%	60%	10%
Planning	Express permits	14 days	80%	50%	10%
	Master Plans	14 days	80%	50%	10%
	Third-party	7 days	80%	60%	10%
	Non-residential	28 days	80%	70%	10%
	Residential	28 days	80%	50%	10%
	Grading Plans	28 days	80%	50%	10%

Permit Center Performance Standards

Work Category	Process Type	Completion Target at 90 percent rate	Impact by Scenario		
			A	B	C
Building	Express permits	14 days	75%	70%	10%
	Master Plans	14 days	80%	70%	10%
	Third-party	7 days	80%	70%	10%
	Non-residential	28 days	80%	70%	25%
	Residential	28 days	80%	70%	10%
	Grading Plans	28 days	75%	70%	10%

Permit Center Performance Standards

Work Category	Process Type	Completion Target at 90 percent rate	Impact by Scenario		
			A	B	C
Inspection	Regular building inspection	1 day	80%	80%	50%
	Site assessment (Tahoe)	30 days (letter)	70%	70%	30%
Code Enforcement	Priority 1 case	1 day	90%	90%	50%
	Priority 2 case	2 day	75%	75%	25%

Note: Days are "working days"

Condition Red - Next Steps

- Direct the CAO to establish financial targets for Departments to achieve ASAP
 - Development Services back on October 21st with recommendations
 - DOT back on October 28th with recommendations
 - DHS back on October 28th with recommendations
 - All other Department's and other County Funded activities back on November 4th with recommendations

Questions/Comments/Direction