



The County of El Dorado

Chief Administrative Office

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To: Board of Supervisors

From: Gayle Erbe-Hamlin, Chief Administrative Officer
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Re: Development Services Department Budget Reductions

Background

On Tuesday, October 14, 2008, the Development Services Department and Chief Administrative Office informed the Board of a potential revenue shortfall within the Development Services Department of anywhere from \$2 million to \$2.5 million dollars due to reduced permit revenues. The Department presented three scenarios for consideration to address this revenue shortfall based on the current \$2 million shortfall projection. The Board requested that the Department return on Tuesday, October 21, 2008 with the details behind Scenario A and Scenario C. This document provides some overall budget history for the department and outlines the details behind the two scenarios.

Current Department Budget Structure

The Department's budget is broken out into six different units as follows:

Administration
Positions: 7 FTE

Total Appropriations: \$1,748,747
Net County Cost: \$1,748,747

Provides oversight, direction and support for the department and is responsible for administrative and business support functions including budgeting, accounting, payroll, personnel, purchasing and contract coordination, computer services and support and clerical operations.

Permits & Inspections – Permit Center
Positions: 45.65 FTE

Total Appropriations: \$4,499,582
Net County Cost: (\$33,228)

Permits and Inspection services include all functions from the customer's initial contact at the permit center (either in person, by telephone, or Internet) through planning compliance, plan review and inspections. This includes a complex active and archived file maintenance process.

Our Memorandum of Understanding (MOU) with Tahoe Regional Planning Agency (TRPA) for plan review and inspection services extends our services into enforcement of complex TRPA regulations and standards.

Commercial Grading

Positions: 1.85 FTE

Total Appropriations: \$277,591

Net County Cost: \$206,491

Services include all plan review and inspection activity associated with commercial grading.

Current Planning Services

Positions: 15.5 FTE

Total Appropriations: \$1,797,379

Net County Cost: \$153,499

The Current Planning unit is focused on processing discretionary development applications such as land divisions, special use permits, and zoning applications, including the required CEQA (California Environmental Quality Act) analysis. Staff also provides information to the public regarding the development review process.

Long Range Planning Services

Positions: 5 FTE

Total Appropriations: \$703,194

Net County Cost: \$703,194

The Long Range Planning unit is responsible for implementation of the County General Plan and compliance with a variety of State long range planning requirements. This unit has been focused on development and adoption of the 2004 General Plan, and is now focusing on the development of the implementation measures, including the update of the zoning ordinance, design standards, and numerous other programs. Long range planning assignments also include providing assistance to other departments such as Transportation, General Services, Water Agency, and Human Services with other long range planning issues.

Code Enforcement

Positions: 3.0 FTE

Total Appropriations: \$385,455

Net County Cost: \$335,455

A Code Enforcement Section operates within Building Services to enforce violations of the County Code and other related codes and ordinances. An investigation is initiated by responding to citizen inquiries and complaints and upon the request of other health and safety agencies. Enforcement actions must specifically address safety-related or non-permitted items such as: illegal business, fire-created hazards, and substandard or dangerous housing. Code Enforcement has also been used for the initial investigation and subsequent tracking of a complaint that may affect multiple departments.

Current Budget Shortfall

The revenue shortfall that the Department is experiencing is primarily within the Permits and Inspections Unit. The number of single family dwelling permits has dropped off significantly when compared to this same time last year. At the time the FY 2008-09 budget was built, it was assumed that the volume of these permits would be about the same as in FY 2007-08. However, these permits have significantly declined from the FY 2007-08 levels. Therefore the revenue projection for this unit has decreased from \$4.6 million to \$2.6. Per policy B-1, if a revenue

estimate is not going to be met, the department head shall either lower expenditure levels so that the budgeted net county cost is not exceeded or request that revenue estimates be decreased through a transfer from the General Fund Contingency. Scenario A requests this budget transfer from Contingency. Scenario C lowers expenditures to a level where the department can meet the budgeted Net County Cost within a \$2 million shortfall.

Scenario A (Based on \$2 million shortfall)

Attachment 1 provides a line item detail of the cost savings achieved through Scenario A. Scenario A involves a reduction in force of 11 FTE's resulting in current year savings of \$803,192. Scenario A also includes current year savings of \$356,710 resulting in total savings of \$1,159,902. In addition to these savings, the Department could implement a mandatory ten day furlough for all remaining staff which would result in additional savings of \$341,469. These savings are one time in nature and would be utilized only to help mitigate the effect of the four months of savings lost due to the timing of the current reduction in force.

These reductions in force are all within the permit and inspection unit. If the department implemented the mandatory furlough, along with the reduction in force, this scenario would require a General Fund contingency transfer of \$498,628 to balance the budget.

The annualized savings under Scenario A equate to \$1,779,549. With a projected shortfall of \$2 million for FY 2009-10, the General Fund would need to continue to contribute an additional \$220,451 to the Department in FY 2009-10.

Scenario C (Based on \$2 million shortfall)

Attachment 2 provides a line item detail of the cost savings achieved through Scenario C. Scenario C involves a reduction in force of twenty-four FTE's (two are vacant), resulting in current year savings of \$1,289,362. Scenario C also includes current year savings of \$398,648 resulting in total savings of \$1,688,011. In addition to these savings, the Department could implement a mandatory ten day furlough for all remaining staff which would result in additional savings of \$292,093. These savings are one time in nature and would be utilized only to help mitigate the effect of the four months of savings lost due to the timing of the current reduction in force.

These reductions in force consist of 19 FTE's (1 is vacant) in the Permit and Inspection unit, 3 FTE's (1 is vacant) in the Current Planning unit and 3 FTE's in the administrative unit. The Administrative Unit includes the addition of an Accountant I to absorb some of the duties of the 3 fiscal tech's proposed to be deleted. If the department implemented the mandatory furlough, along with the reduction in force, this scenario would not require any General Fund contingency transfer.

Impact on Surveyor

The Department currently provides \$250,000 to the Surveyor for GIS support. Both scenarios include reducing this level of support to \$50,000. Discussions with the Surveyor are ongoing to determine the impact of this reduction. These reductions may result in reductions in force within the Surveyor's office.

Future Impacts

It is important to point out that any additional General Fund contribution to the Department will not only affect FY 2008-09, but will also increase the projected shortfalls within the five year forecast. While a \$220,451 contribution in FY 2009-10 does not appear large, there is a cumulative effect that grows with each year. Not only is there the additional \$220,451, but there is also the loss of contingency fund balance of \$498,628 from FY 2008-09.

Economic Development

One final option to be considered would be to delete the current Economic Development Coordinator position and shift that General Fund funding to the Development Services Department. This could allow for additional staff to be retained at the permit counter to help move permits through the process. In the current economic climate, the movement of permits could be considered to have more of a direct economic impact than the current Economic Coordinator activities.

Attachment 1

Development Services Scenario A

	Filled	Vacant	Annual Costs	FY 08-09 Savings (based on 11/21 RIF date)
Branch Manager	(1)		137,114	84,378
Sr. Building Inspectors	(3)		374,695	230,582
Building Inspector II	(4)		601,306	370,034
Sr. Dev Tech	(1)		75,591	46,518
Development Aide II	(2)		116,481	71,681
Sub-total	(11)		1,305,187	803,192
Other Savings				
Vacant Principal Planner			134,324	82,661
One time current salary savings			-	58,220
El Dorado Hills Office Rent			48,100	28,058
Surveyor Support			200,000	145,833
Cost Applied Savings			50,000	-
Rent & Lease Vehicles			27,145	27,145
Fuel Purchases			14,794	14,794
Sub-Total			474,362	356,710
Total			1,779,549	1,159,902
Furlough Savings				341,469
Total				1,501,372
Economic Development Coordinator & Support			257,449	178,290
Total			2,036,998	1,679,662

Attachment 2

Development Services Scenario C

	Filled	Vacant	Annual Costs	FY 08-09 Savings (based on 11/21 RIF date)
Fiscal Technicians	(3)		182,852	112,524
Accountant I	1		(65,000)	(40,000)
Sr. Civil Engineer		(1)	115,472	71,060
Branch Managers	(2)		273,647	168,398
Sr. Building Inspectors	(4)		468,823	288,506
Building Inspector II	(7)		601,306	370,034
Sr. Dev Tech	(1)		75,591	46,518
Development Tech II	(2)		129,116	79,456
Development Aide II	(2)		116,481	71,681
Development Tech II	(1)		65,312	40,192
Development Aide II	(1)		60,162	37,023
Associate Planner		(1)	71,452	43,970
Sub-total	(22)	(2)	2,095,214	1,289,362
Other Savings				
Vacant Principal Planner			134,324	82,661
One time current salary savings				58,220
El Dorado Hills Office Rent			48,100	28,058
Surveyor Support			200,000	145,833
Cost Applied Savings			50,000	-
Rent & Lease Vehicles			54,289	54,289
Fuel Purchases			29,587	29,587
Sub-Total			516,300	398,648
Total			2,611,514	1,688,011
Furlough Savings				292,093
Total				1,980,103
Economic Development Coordinator & Support			257,449	178,290
Total			2,868,963	2,158,394