




**Date:** February 22, 2017

**To:** Honorable, Board of Supervisors

**From:** Don Ashton   
Chief Administrative Officer

**Subject:** Community Development Agency Reorganization

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**Summary**

This report provides information related to action items 1 through 4, resulting in the amendment of the Chief Administrative Office and Community Development Agency personnel allocations, and establishing the Department of Transportation, Environmental Management Department, and Planning and Building Department, and resulting in a revision to the existing Community Development Agency model and establishing a shared services model for these functions under the Chief Administrative Office.

**Chief Administrative Officer Recommending the Board of Supervisors:**

- 1) Conceptually approve a reorganization of the Community Development Agency to include the following departments: Planning and Building Department, Environmental Management Department, Department of Transportation, and Community Development Services Administration and Finance (Attachment B, page 2).
- 2) Approve and adopt a Resolution (Attachment F) creating new job specifications, bargaining unit designation, and salary schedules for the positions of Director of Transportation, Director of Environmental Management, and Director of Planning and Building (Attachments C, D & E) pending revisions to affected ordinances.
- 3) Approve and adopt a Resolution (Attachment G) amending the Authorized Personnel Allocation adding a Deputy Chief Administrative Officer, Director of Transportation, Director of Environmental Management, and Director of Planning and Building and deleting the Director, Community Development Agency, Assistant Director, Community Development Agency, Transportation Division Director, Environmental Management Division Director, Development Services Division Manager and one Principal Administrative Analyst position, resulting in reductions in force effective July 1, 2017, pending revisions to affected ordinances.
- 4) Direct staff to revise and update Chapter 2 of the County Code to reflect the changes in organizational structure and designate appointed department heads pursuant to Section 404 of the Charter of the County of El Dorado, and return to the Board for adoption of affected ordinances and any required resolutions within 45 days.

## **Background**

On December 19, 2011, the Board received and filed the Organizational Review Report for the Department of Transportation and approved the CAO's proposed Action Plan to address the issues highlighted in that report as well as other Board priorities, which included establishing a Facilities Management function within the CAO's Office and investigating the feasibility of forming a Community Development Agency.

Following a series of hearings on the matter, on November 13, 2012, the Board of Supervisors approved the reorganization of the Department of Transportation, Environmental Management Department, and the Development Services Department into a single Community Development Agency (CDA). This action made a number of organizational changes, including the addition of a Community Development Agency Director position, an Assistant Agency Director position, and an Assistant Director of Finance Administration position, totaling approximately \$675,000 in additional costs, effective December 5, 2012. The creation of CDA was intended to accomplish the following objectives:

1. Provide a unified leadership structure that maximizes opportunity for programmatic and operational synergy;
2. Streamline and simplify processes for customers;
3. Improve customer service by increasing interaction and coordination between department functions and staff;
4. Provide for succession planning by developing cross-functional teams;
5. Provide for cohesive, well-integrated long-term planning; and
6. Consolidate administrative and fiscal functions, including grants, contracts, and IT support.

Recently, the CAO, in conjunction with the Interim CDA Director, explored options that could ensure the continued coordination and collaboration within the CDA to further accomplish the original objectives identified above, but under a more cost effective organizational structure. Based on that assessment, the CAO is recommending the reorganization of the CDA, as described below. If approved by the Board, staff will return to the Board at a later date with the necessary changes to Title 2 of the El Dorado County Code of Ordinances, Administration and Personnel, and any necessary resolutions for implementation of the re-organization.

## **Proposed Organization Structure**

The reorganization transitions the combined CDA to three major Departments: Transportation, Environmental Management, and Planning and Building, and maintains the Administration and Finance function with the agency functioning under a shared services model.

The proposed organization structure provides for the oversight and governance of the functions of Transportation, Environmental Management, Development Services, and Long Range Planning. As

proposed, the Department Heads over Transportation, Environmental Management, and Planning and Building would continue to report to the Board of Supervisors as defined in the County Charter. The proposed organization structure reinforces the intent of the Board of Supervisors that the Chief Administrative Officer exercise overall responsibility for the coordination of department activities to ensure the sound and effective management of County government consistent with County Ordinance 2.13.005. Each department would report directly to a Deputy CAO in a shared services model.

Additionally, as identified in the organization charts (Attachment B), the proposed structure will provide the Chief Administrative Office with more authority over these departments' administrative and fiscal responsibilities. The shared services model for administration and finance would permit the CAO to perform common administrative or fiscal operations for all departments. This is similar to the approach currently used for other County departments, including the District Attorney, Public Defender, Information Technology, and Clerk of the Board.

Employing a shared services model for programmatic management as well as administration and finance is intended to improve communication and reduce fragmentation, overlap, duplication, and overall costs through standardization and continual process improvements.

The Directors over Transportation, Environmental Management, and Planning and Building would report to the Chief Administrative Officer through a Deputy CAO on day-to-day operations, but would maintain autonomy and accountability for programmatic recommendations to the Board of Supervisors as the subject matter experts for their respective departments.

#### Challenges of the CDA Model

Former and current management from within CDA have advocated that maintaining the functions of CDA under one authority is the most effective model. While the concept of uniting the Transportation Division, Development Services, Long Range Planning, and Environmental Management under one centralized agency in order to improve collaboration and service delivery is well-founded, it is essential that the County attempt to meet these objectives in a more cost-effective manner. The proposed structure retains the benefits of the CDA model, while improving fiscal and administrative accountability and cost efficiency.

It should also be noted that both the current Interim CDA Director and the previous CDA Director reached the conclusion that the roles of the Development Services Division Director and the Assistant Director of Community Development are redundant, primarily because the original concept of the new structure was never fully implemented. Specifically, the Assistant Director of Community Development, as identified in the job specification, was tasked with having significant responsibility for the development, implementation, oversight, and evaluation of Community Development Agency programs, services, and functions and is responsible for managing day-to-day activities of the agency through subordinate managers. However, in practice, this position was solely responsible for Long Range Planning, and never assumed organization-wide responsibility over areas such as transportation, environmental management, and development services. Therefore, the proposed new organizational structure has been developed, in part, to resolve this redundancy and to better define the management of Long Range Planning efforts and the management of CDA as a whole.

Additionally, due to the resultant size of the CDA following the 2012 reorganization, there has developed a sense that the major functions within the agency have become too far-removed from

administrative and policy oversight and direction, namely from the CAO and the Board. As discussed above, the proposed new organizational structure has been developed to ensure more direct communication and oversight with the CAO and the Board.

Finally, the County has a responsibility to ensure that its services are being provided in the most efficient manner possible. The need to take advantage of available cost-saving opportunities has become even more critical in the past few months. Fiscal challenges facing the County include increasing CalPERS costs and changes recently recommended in the Governor's proposed budget, as well as the recognized need for resources to fund county infrastructure needs including buildings, roads, and information technology. A review of the CDA and its finances has shown that services could be delivered in a more cost-effective manner, with no impact to the individual departments. As indicated above, when CDA was created, the County added three executive level management positions totaling approximately \$675,000 in additional costs each year. Due to the fiscal challenges facing the County, it is essential that a more efficient model be implemented while maintaining cohesiveness between departments and a high level of accountability to the Board. The proposed organizational structure accomplishes this.

#### Benefits of Proposed Structure

This reorganization would centralize authority within the CAO's office, while recognizing the subject matter expertise and accountability of the department/division directors, and increasing cost-efficiency.

The proposed organization structure allows greater CAO management authority of the functions of CDA, consistent with County Ordinance 2.13.005, which stipulates that the Chief Administrative Officer exercise overall responsibility for the coordination of department activities to ensure the sound and effective management of County government. The proposed organizational structure would include Board-appointed department heads, with the authority of the CAO's Office during day-to-day operations. The more active role of the CAO in the administrative functions of CDA should ensure a higher degree of transparency relative to finance and administrative matters.

Under this structure, the new positions would manage the prospective departments and report to the CAO under the direction of the new Deputy CAO position. The roles of the Division Directors of Transportation, Environmental Management, Development Services, and Administration/Finance and the need for leadership for Long Range Planning matters are all crucial to the mission of CDA. The nature of the work associated with these departments requires experts in the prospective fields as well as collaboration on projects and a unique set of fiscal considerations. These characteristics necessitate specialized attention for each subject, which would be provided under the directors for each department. With the proposed changes to the organizational structure, the Division Director positions would revert to the pre-2012 job specifications for management of the individual departments.

Additionally, due to several recent vacancies, the Community Development Agency Director and the Community Development Agency Assistant Director positions are not presently filled by permanent employees. The role of Director is currently filled by an interim director. The Assistant Director position is currently filled by a Principal Planner in an acting role, and this individual has noticed the department of her resignation effective in March 2017. The proposed reorganization comes at a time when the resulting reduction in force would not result in the termination of employment of individuals filling those top-level positions.

### Fiscal Impact

As mentioned above, the proposed organizational changes would also result in considerable cost savings. The proposal includes the deletion of two of the highest level of management positions: the Director of CDA and the Assistant Director of CDA. It also includes the deletion of one Principal Administrative Analyst position in the CAO's Office. A Deputy CAO position will be added to maintain cohesive management of the CDA functions and to oversee all administrative, finance, and policy matters.

#### Department Director Restructure Fiscal Impact, Salary plus Benefits:

- Delete Director, Community Development Agency position: (\$274,000)
- Delete Assistant Director, Community Development Agency position: (\$214,000)
- Delete one Principal Administrative Analyst position: (\$164,000)
- Add Deputy CAO position: \$205,000

Net Annual Cost Reduction: (\$447,000)

The current Division Director positions for Transportation, Environmental Management, and Development Services would also be deleted and replaced with Department Director positions. The salaries are not proposed for change at this time, as there were no decreases in salaries at the time that CDA was created and the At-Will (Board Appointed) Department Director positions became Civil Service Classified Division Director positions. Should recruitments for the positions prove unsuccessful, an increase in salaries could be enacted at a later date. This proposal contemplates assigning responsibility for Long Range Planning activities to the Development Services Department, and retitling that that Department "Planning and Building". This change would eliminate the redundancy between the current Development Services Division Director position and the Long Range Planning management responsibilities of the current Assistant Director, CDA position.

#### Division Director Restructure Fiscal Impact, Salaries plus Benefits:

- Delete Transportation Division Director: (\$203,000)
- Delete Environmental Management Division Director: (\$203,000)
- Delete Development Services Division Director: (\$203,000)
- Add Director of Transportation: \$203,000
- Add Director of Environmental Management: \$203,000
- Add Director of Planning and Building: \$203,000

Net Annual Cost Increase: \$0

### Strategic Plan

The recommended action contributes to the achievement of Strategic Plan Goal 2: Good Governance: Achieving the best possible process for making and implementing decisions in accordance the county's

core values, legal requirements, and industry best practices. Specifically, this recommendation would contribute to Objectives 2.2, and 2.3.

Objective 2.2 is, “Review and update policies related to inter-office services and public services. Establish a mechanism for timely updates, review for relevance to ensure a balance between appropriate level of internal control and efficient work flow.” The proposed reorganization of the Community Development Agency would centralize administrative and fiscal functions within the CAO, while maintaining the autonomy of each department based on subject matter. This serves to consolidate matters affecting all development-related departments providing opportunities for increased communication between offices, and unique policies and management within departments. The recommended action would contribute to Objective 2.2 through the enhanced structure of the development-related departments.

Objective 2.3 is, “Identify and implement 'best practices' within central support departments, and develop service level standards of central support departments/divisions/programs for the purpose of continuous service improvement as well as establishing a framework for improved communication and customer engagement.” The proposal retains the benefits of collaboration and streamlining services first envisioned with the Community Development Agency model, while improving fiscal and administrative accountability and creating cost-efficiency. The recommended action would also contribute to Objective 2.3 through the centralization of administrative and fiscal functions within the CAO, providing for continual evaluation of service standards and cross-subject best practices.

**Recommendation**

The CAO's office is recommending approval of action items 1 through 4 at this time in order to allow for a recruitment to fill the new Deputy CAO position prior to the departure of the current Interim Director of CDA.

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Attachments

Cc: Roger Niello, Interim CDA Director