

DATE 12/17/12

The County of El Dorado

Chief Administrative Office



330 Fair Lane
Placerville, CA 95667-4197

Terri Daly
Chief Administrative Officer

Phone (530) 621-5530
Fax (530) 626-5730

December 14, 2012

TO: Board of Supervisors
FROM: Terri Daly, Chief Administrative Officer
RE: Agenda Item #46, December 18, 2012

I believe that over the past two years, I have demonstrated my fiscally conservative approach and have encouraged you to increase costs only when that increase will result in a long-term efficiencies. I believe that the adjustment in the salary ranges for the agency-level directors, as requested in this agenda item, is such an investment.

The Board took a risk on a bold decision to go to the agency model with Health & Human Services earlier this year. The plan was to find increased efficiencies by combining departments in order to provide improved services for clients and reduced costs in delivering those services. The results have come far faster and better than anticipated. You've seen improvements in the delivery of services at the PHF (psychiatric health facility), increased interaction between mental health and public guardian services, and many other service improvements. Moreover, the \$3+ million debt of mental health to the general fund—a debt which many anticipated would never be repaid—was paid off this past fiscal year, less than one year into the new agency organization. The agency saved more than \$300,000 just in streamlining of the fiscal and administrative operation of one of the divisions alone.

These kinds of results are a direct credit to the Director's leadership of the agency. The agency is a complex organization, with close to 500 employees. For the agency concept to work and to realize the cost savings that we anticipate, we must have a competent, experienced, bold leader in the director position and we must invest in the compensation structure to secure and retain such management leaders.

Earlier this month, you approved taking the agency concept to the community development departments. We expect the same kind of service delivery improvements and cost savings as we

are beginning to implement in Health & Human Services. Not only do we expect that the new positions and salaries will be covered by the current budget, we have already identified potential savings of more than \$600,000 annually starting in 2013-2014.

With the approval of the Community Development Agency, you set the salary for the Community Development Agency Director at 5% higher than the current agency-level positions, Health & Human Services Director and Assistant CAO. This agenda item requests that you authorize the increase of the agency director positions to that same level.

This is an investment that will pay for itself over and over. Thank you for your consideration.