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*County of El Dorado*

*Chief Administrative Office*

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October 29, 2010

TO: Board of Supervisors  
FROM: Gayle Erbe-Hamlin, Chief Administrative Officer  
RE: Agenda Item #10-0990  
FY 2011-2012 Budget Reduction Plans

This memo outlines my office's recommendations on how the County can close an \$11 million projected deficit for Fiscal Year 2011-2012. On October 19, 2010 the Board was provided during Budget Update an outline of a proposed reduction plan. Since that time CAO staff has been working with departments to flesh that outline out by providing more detail on the reduction plan, the program and service consequences and timeframe proposed to implement. The reduction plan is based on the approach discussed with the Board in September 2010 highlighted below:

- Two level approach to achieve \$11 million in general fund savings by June 30, 2011 allows time for fiscal uncertainties such as the bargaining process and economic conditions to be evaluated prior to making second round of reductions:
  - \$5.5M by December 2010
  - \$5.5M by March 2011 (now revised to June 2011)
- First Round of Reductions – Completed by December 2010
  - Recognize that continuing with across the board reductions is challenging since some departments would no longer be functional
  - Limit impact on law and justice– particularly front line law enforcement
  - First consider non-mandated discretionary programs for reductions
  - Not use one time only \$ to ameliorate necessary sustainable reductions
- Second Round of Reductions – Completed by March 2011 (now revised to June 2011)
  - Acknowledge any general fund savings achieved through the bargaining process (potentially \$2.0M in the best case scenario)
  - Evaluate current and projected economic conditions
  - Conclude mid year review
  - Determine level of additional reductions needed to close funding gap
  - Take necessary reductions in either remaining discretionary programs or law and justice programs

Staff from the Chief Administrative Office has engaged with the various aspects of the organization and the public in the development and roll out of the plan. These activities have included group and individual meetings (both on the east and west slope) with employees, appointed department heads,

elected department heads, interested public, the Tax Payers' Association and the media. We have heard from defenders of every program that is proposed for reductions and understand the very difficult decisions that face the Board in making these reductions. However, what we have not heard is another plan other than: to delay taking any action now and wait until we know more. We do not believe that course is a wise course.

We know that we need the first \$5.5 million of reductions at a minimum. While the proposed plan makes ugly cuts, it is a balanced reduction plan in that it no longer depends solely on across the board reductions and instead looks to continue Board priorities albeit at very lean service levels, maintains critical levels of front line law enforcement, and reduces general government to base but still functional levels of operation. If the Board approves the first round of reductions as proposed and further reductions are ultimately needed we recommend those be dealt with within the regular Fiscal Year 2011-12 budget process during Spring 2011.

As you know, we still have significant factors impacting our General Fund budget that are not yet certain. The outcome of labor contract negotiations may reduce County costs in Fiscal Year 2011-2012 and beyond. Departmental operations during this year may result in cost savings that would leave a fund balance that is higher than expected for next year. We may see economic trends which would allow a more optimistic forecast of revenues; such as an increase in TOT, property taxes or sales tax. Any of these factors could reduce the remaining \$5.5 million projected General Fund deficit for next year. It is for these reasons that we recommend dealing with any remaining deficit in the regular budget process. However if we fall short in approving the current reduction plan we may not have reduced the deficit a sufficient amount to wait that long. On November 15<sup>th</sup> we will be asking the Board to approve the reduction plan and will provide the Board with our final recommendations on next steps based on the outcome of that meeting.

Attached to this agenda item is a listing of the programs and services impacted by the proposed reduction plan with impacts and implementation timelines identified. In trying to understand the consequences of these reductions on departments we generally asked them to respond to the following questions:

- How would you absorb the proposed reduction and what service consequences would result from the reduction; and,
- What changes in your department's staffing would have to be made under the reduction plan?

On Monday November 1, 2010, I request the Board provide comment on the two level approach and clarify your expectations of departments relative to providing the Board with information upon which to make a decision. After that you will hear from the Law and Justice departments about their proposed reduction plans. Then on November 3<sup>rd</sup> you will be able to go over all the rest of the reduction plan, ask questions of staff and hear public comment. The only exception is Parks Operation and Maintenance which has been grouped with the rest of the park topics (Parks Master Plan, Trails and Rails) on November 8th. I recommend the Board continue Agenda Item #10-0990 to November 3<sup>rd</sup> in order to continue this budget discussion at that time.

## Attachment A: CAO Proposed Reduction Plan and ERI Savings

### Discretionary Program Reduction

#### **Library Branch Subsidy** - Reduction of \$250,000

*Reduction Plan:* A reduction of \$250,000 to branch library operations would be achieved by eliminating 1.0 FTE Library Assistant (0.5 FTE Library Assistant through the Early Retirement Incentive Program and 0.5 FTE Library Assistant from a current vacancy); reducing extra help staff by \$50,000; reducing library materials (books, subscriptions, etc.) by \$100,000 and other services and supplies by \$10,000; deferring computer equipment replacement purchases of \$20,000; and increasing the use of library fund balance by \$40,000.

*Impact to Program/Services:* Staff reductions will require revised hours of operation for the various branch libraries; however the department is working to restructure staff schedules and branch hours in such a way that the impact to library patrons would be minimized. The most significant change in days of operation would be in El Dorado Hills where that branch would go from 6 days a week to 5 days, similar to most other branches. Reductions in staff combined with reductions in materials and equipment purchases will result in fewer materials available for check out, longer waits for library materials, less access to public computers, study assistance and research, and fewer educational programs.

Additional detail can be found in Attachment 2B of this agenda item which is the Library information presented to the Board on September 15, 2010.

*Implementation Timeline:* The proposed funding reduction does not result in a reduction in force. The department would implement the reductions and revised hours of branch operations to be effective January 1, 2011.

#### **Sr. Nutrition Programs/Activities** - Reduction of \$400,000

*Reduction Plan:* The Sr. Nutrition program has a total budget of approximately \$1.37 million comprised of \$752,000 from state and federal funds as well as donations and a General Fund contribution of \$615,000. A reduction of \$400,000 to the Sr. Nutrition Program would result in the elimination of congregate meal programs at El Dorado Hills, Diamond Springs, Greenwood, Pioneer Park and Pollock Pines. Reductions would be achieved primarily through a reduction of staff (5.06 FTEs) and the elimination of facility costs (rent, utilities, etc.).

*Impact to Program/Services:* Congregate meal programs would only be provided at the Placerville and South Lake Tahoe core sites. Home delivered meals would be offered in lieu of congregate meals for those affected by the congregate meal program reductions who meet eligibility requirements. Frozen home delivered meals would be available to people who live out of delivery range for hot meals. Home delivered meals would be provided to the extent there is a sufficient volunteer workforce available to provide delivery services. The elimination of congregate meal sites at rented facilities in Diamond Springs and Pollock Pines would also result

in the elimination of the senior activities conducted at those sites since the leases would be terminated.

Additional detail can be found in Attachments 2D – 2F of this agenda item which include materials presented to the Board on September 15, 2010.

*Implementation Timeline:* The recommended implementation date is March 1, 2011. This date will allow sufficient time for the department to implement the proposed reductions and changes in operations.

**Sr. Legal / Elder Protection** - Reduction of \$215,000

*Reduction Plan:* The combined Sr. Legal Services/Elder Protection program has a total budget of approximately \$315,000 comprised of \$215,000 from the General Fund, \$60,000 from Title III Older American's Act funds and \$40,000 from donations. The proposed reduction would reduce the General Fund contribution to the minimum match (\$5,500) required for Older American's Act funding (\$54,500) for the Sr. Legal Services program and the elimination of the Elder Protection Unit. Reductions would be achieved through a reduction in force of 1.0 FTE Attorney and 1.0 FTE Paralegal. The program would be required to maintain donations at approximately 88% of current levels to continue to fund the remaining 0.5 FTE Attorney and 0.50 FTE Secretary, along with continued volunteer support.

*Impact to Program/Services:* The Elder Protection Unit (EPU) would be eliminated. Funding provided through the Older Americans Act combined with program donations would be used to provide limited senior legal services. The number of seniors receiving services would be reduced to approximately 40% of current levels. Minimal education programs would be provided at the Placerville Senior Center only and the ability to provide outreach would be substantially reduced, with primary focus on advice and consultation versus product outcome (i.e. wills, trusts, summary probates, etc.). The elimination of the EPU would reduce the multidisciplinary efforts focused on prevention and protection of elder citizens. Although crisis intervention would continue to be a priority, efforts will be reduced due to limited staffing.

Additional detail can be found in Attachments 2D – 2F of this agenda item which include materials presented to the Board on September 15, 2010.

*Implementation Timeline:* The recommended implementation date is March 1, 2011. This date will allow sufficient time for the department to identify core services and priorities for the Sr. Legal Program, transition services for existing client cases and implement the proposed reductions going forward. The department is in the process of reviewing potential revenue opportunities from donations. To the extent that sustainable revenues can be achieved, reductions may be reduced.

**Sr. Day Care** - Reduction of \$60,000

*Reduction Plan:* The Sr. Day Care program has a total budget of approximately \$409,000 comprised primarily of fees for services, federal funds, donations and a General Fund contribution of \$60,000 in FY 2011-12. The proposed reduction would eliminate the General Fund contribution. Without this contribution, there is insufficient funding to operate a licensed/certified Sr. Day Care program and this program would be eliminated.

*Impact to Program/Services:* The Sr. Day Care program is located at 935A Spring Street in Placerville and currently serves a total of 41 clients with an average daily attendance of 22 clients. Day care services for these clients would be eliminated.

Additional detail can be found in Attachments 2D – 2F of this agenda item which include materials presented to the Board on September 15, 2010.

*Implementation Timeline:* The recommended implementation date is July 1, 2011. Staff reductions of 5.10 FTE would be accomplished through the FY 2011-12 Recommended Budget process and be effective July 1, 2011. The department has identified potential revenue opportunities from increased fees and enhanced donations. To the extent that sustainable revenues can be achieved, the Sr. Day Care program could be maintained. The recommended implementation date of July 1, 2011 would allow the department to explore and implement potential revenue sources that could support the program in FY 2011-12 and beyond.

**General Plan Implementation** - Reduction of \$200,000

*Reduction Plan:* A reduction of \$200,000 results in the elimination of two planner positions. The department currently has one Sr. Planner vacancy due to a resignation. The activities associated with this Sr. Planner were revenue generating activities. However these activities have continued to slow down and the department is currently holding this position vacant. If activity levels have increased enough to fund this position, then one of the Sr. Planners currently assigned to General Plan Implementation could shift into current planning services. However, if activity continues to decline, this reduction would result in a reduction in force of two Sr. Planners.

*Impact to Program/Services:* Most General Plan Implementation tasks not yet completed would need to be placed “on hold” until the economy improves or other sources of General Plan funding become available. Attachment E of this Agenda item, Memo from Roger Trout, dated September 14, 2010, details the specific impacts of this budget reduction.

It should be noted that the Revised Zoning Ordinance is going to require a CEQA review. This process could take up to a year to complete. The Department will be returning to the Board with a recommendation as to how to proceed with this review. After discussions with County Counsel it has been determined that an outside consultant would need to be hired to perform this task. This CEQA review could cost as much as \$200,000 which is currently not included in the County budget. The Chief Administrative Office recommends that this funding come out of one

time funds such as Contingency. This will be a one time expense, therefore the use of one time monies is appropriate.

*Implementation Timeline:* In order to achieve full savings by July 1, 2011, any reductions in force would need to be completed by March, 2011.

**Economic Development** - Reduction of \$130,000

*Reduction Plan:* A reduction of \$130,000 results in the elimination of one Economic Development Coordinator position as of June 30, 2011. The Economic Development Coordinator is funded in large part with Transient Occupancy Tax (TOT) dollars. Policy 10.1.6.4 of the General Plan states that “The majority of transient occupancy tax (TOT) generated revenue shall be directed toward the promotion of tourism, entertainment, business, and leisure travel in El Dorado County.”

*Impact to Program/Services:* Certain programs handled by the Economic Development Coordinator associated with grant funding (e.g., Vital Assets grant) will be completed by the end of this fiscal year. No further grant funding for these activities is anticipated. While the Economic Development Coordinator currently plays a lead role in program activities that focus on business retention and expansion, it is important to note that many other departments in the County also play a role in promoting and ensuring economic development. The Chief Administrative Office is proposing shifting the \$130,000 supporting the Economic Development Coordinator to Development Services to help offset other general fund economic development activities already taking place in the department such as the planning and building activities associated with tourist-related commercial operations. The \$50,000 remaining in economic development funds will provide CAO staff support for the Economic Development Advisory Committee (EDAC), the processing and invoicing of Promotions’ contracts plus ongoing executive level support of economic development.

Additional detail can be found in Attachment F of this agenda item presented to the Board on September 15, 2010.

*Implementation Timeline:* The Economic Development Coordinator would complete current projects by June 2011 and the reduction in force will be effective July 1, 2011.

**General Fund Contribution to Roads** - Reduction of \$1,000,000

*Reduction Plan:* The Department of Transportation proposes a reduction in the purchase of materials for the surface treatment program on the County’s roads. However, the Chief Administrative Office feels that the Board considers the maintenance of the County road system as a high priority. Therefore, the Chief Administrative Office is proposing that the Department look at purchasing these materials with available fund balance from the Road Fund, which would result in no impact to the current surface treatment program.

*Impact to Program/Services:* Currently the Department utilizes these General Fund dollars to fund a large portion of the chip seal program as well as some Capital Overlay and Rehabilitation Projects. The funding primarily pays for materials. One of the benefits of this program for the County is that DOT's labor costs can either be applied to the surface treatment program or to other activities. DOT proposes that a loss of this funding would result in the department redirecting staff into activities that are less materials intensive like ditching, brushing, pavement repairs, etc., where there is a backlog of work to do. The Chief Administrative Office recommends that DOT try and maintain the surface treatment program at the current level, and utilize available fund balance in the Road Fund to offset the partial loss of the General Fund revenue. It is important to note that the use of Fund Balance is one-time in nature and is not sustainable in FY 2012-13.

*Implementation Timeline:* The loss of this funding does not result in any reductions in force. Therefore the department can incorporate the reduced General Fund dollars into the FY 2011-12 budget and look at the fund balance available in the Road Fund as a source to backfill the surface treatment program in FY 2011-12.

**GIS** - Reduction of \$400,000

*Reduction Plan:* The Department has not provided a plan as to how this reduction will be achieved. At this time there is one early retirement incentive which was approved by the Board on October 26. The CAO's recommendation is that this position be eliminated and applied towards the reduction. The CAO's office further recommends that staffing be reduced to achieve the full \$400,000 which could result in an additional three positions being eliminated. The CAO's office recommends that the Department engage with users of GIS to develop a strategic plan over the next several months. In addition, cost recovery will be reviewed to achieve revenue offsets if appropriate based on a methodology approved by the Auditor's office that is compliant with OMB A-87 guidelines.

*Impact to Program/Services:* With the reduction of staff, it is anticipated that the GIS function will be reduced to maintenance only with no significant upgrades or development. Due to the lack of information on a strategic direction it is difficult to determine future impacts. In order to clarify the future direction of the GIS function and how this discretionary program should be funded it is critical that the Department provide the Board of Supervisor's and Chief Administrative Office with a comprehensive strategic plan that will provide sufficient detail to make future funding decisions. Development of the strategic plan should include input from the Development Services Department and Department of Transportation as well as any other departments or community groups that have a significant stake in the future direction of GIS.

*Implementation Timeline:* The first staff reduction from the early retirement incentive will be achieved by December 31, 2010. The FY 2011-12 Recommended budget will include reductions to achieve the \$400,000 less the ERI. Any reductions in force will be brought to the Board in March, 2011 with an amended Personnel Allocation Resolution.

**Parks/Grounds/Trails/Cemeteries** - Reduction of \$100,000

*Reduction Plan:* The Department of Transportation is looking at reducing extra help which would achieve the \$100,000 reduction.

*Impact to Program/Services:* An in depth review of parks, grounds, trails and cemeteries is scheduled for November 8<sup>th</sup>. The proposed reduction of \$100,000 will result in reduced levels of service across all programs.

*Implementation Timeline:* The Department will include the reduction in the FY 2010-11 budget.

**Museum** - Reduction of \$50,000

*Reduction Plan:* The Museum program has a total budget of approximately \$118,000 with revenues of \$6,000 and a Net County Cost of \$112,000. A reduction of \$50,000 would be achieved by reducing the Museum Coordinator position from 1.0 FTE to 0.5 FTE.

*Impact to Program/Services:* The reduction in the Museum Coordinator position would result in a reduction in Museum hours of operation from 34 hours per week Tuesday through Sunday to 20 hours per week Wednesday through Saturday. The Museum currently relies on a significant volunteer workforce; however oversight by the Museum Coordinator is necessary to ensure adequate supervision of that workforce as well as appropriate management of museum activities, archives and collections. The Museum's weekly "Open House Research Day" would be scheduled based upon availability of permanent staff and knowledgeable research volunteers. The Museum Coordinator's involvement in special projects such as the Railroad Park, long term planning, fund raising, and outreach would be significantly reduced or eliminated.

*Implementation Timeline:*

The recommended implementation date is July 1, 2011. The Museum Coordinator position would be reduced through the FY 2011-12 Recommended Budget process and the resulting changes to the museum hours of operation would be effective July 1, 2011. The department has identified a number of potential revenue opportunities for the Museum program such as increased donations from the Museums Foundation, revenues from the sale of donated items, and implementation of a small Museum admission fee. To the extent that sustainable revenues are identified, reductions to the museum program and staffing could be restored. The recommended implementation date of July 1, 2011 would allow the department to explore potential revenue sources that could help support museum operations in FY 2011-12 and beyond.

**UCCE** - Reduction of \$150,000

*Reduction Plan:* The Department is proposing a reduction of \$144,000 in staff costs and \$6,000 in operating expenses. The decrease in staff results in a reduction in force of 1.2 FTE's.



*Impact to Program/Services:* The proposed reduction would eliminate the County 4H and Youth Commission program as well as the Master Food Preserver/Master Gardener program. All of these programs are extremely volunteer intensive and require a significant amount of administrative support staff to keep the programs running. The Natural Resource Programs would remain funded as well as the Agriculture Advisor and the Forestry Advisor. These programs are currently funded through the University and the remaining 1.8 administrative support staff funded with general fund dollars would go towards supporting these programs. Additional detail can be found in Attachment 4B of this agenda item which includes a presentation materials for the November 3, 2010 meeting.

*Implementation Timeline:* The 4H program could continue through the current annual cycle. Re-enrollment typically happens in the fall, so the program would be terminated with the fall 2011 cycle. The Master Food Preserver/Master Gardener program would continue through the fiscal year and be discontinued as of July 1, 2011.

### **Grand Jury** - Reduction of \$64,000

*Reduction Plan:* The Penal Code makes a clear distinction between what the grand jury “shall” do, and what it “may” do. The proposed reduction allows sufficient resources for the grand jury to perform its minimum statutory requirement to:

- 1) investigate and submit a report to the presiding judge on the operations, accounts, and records of the officers, departments, or functions of the county or its special legislative districts.
- 2) inquire into the condition and management of county jails.
- 3) inquire into the willful or corrupt misconduct in office of public officers.

All other matters which the grand jury “may” examine under the law are discretionary.

*Impact to Program/Services:* Discretionary activities and reports of the grand jury will likely be reduced or eliminated. Although the law gives the Board of Supervisors authority to set the grand jury budget, it also allows the presiding judge to approve additional expenditures after the Board has been advised of the grand jury’s budgetary request. Additional spending by the grand jury ordered by the judge could be addressed on a case-by-case basis with county contingency funds.

*Implementation Timeline:* This budget reduction will be effective July 1, 2011.

### **Veteran Affairs** - Reduction of \$100,000

*Reduction Plan:* One position which has been vacant for several months will be eliminated, resulting in approximately \$52,000 in savings. Additional revenues from the State are anticipated due to an increase in the State’s budget for Veteran Affairs.

*Impact to Program/Services:* The reduction of a Veterans Service Representative may result in longer wait times for the public and increased processing time. We are exploring the possibility of using some special revenue funding to provide part time, extra help support to the two remaining Veterans Service Representatives to cover vacations, sick leave, and other peak workload issues.

*Implementation Timeline:* The position deletion will be included in the next personnel allocation change resolution brought to the Board.

## **General Government Reduction**

### **Board of Supervisors** – Reduction of \$135,837

*Reduction Plan:* Each district budget was reduced to \$193,500, saving \$107,500. An additional \$4,000 will be saved in District budgets by eliminating the appropriation for unemployment insurance. The remaining \$24,337 will be achieved through reductions in the Clerk of the Board budget. Savings of approximately \$14,000 can be achieved in Services and Supplies by forgoing computer and software upgrades, reducing travel costs, and reducing telephone equipment costs. The remaining \$10,000 will have to be achieved through position reductions. The CAO will work with the Clerk to determine whether a whole position should be deleted or whether hours should be reduced for all staff.

*Impact to Program/Services:* Each district will have to reduce appropriations for business expenses. In addition, some districts will have to reduce appropriations for salary and benefits, possibly resulting in a reduction in hours for some Supervisors' assistants.

*Implementation Timeline:* The Board implemented the District budget reduction in FY 2010-11, and it will be carried through to FY 2011-12. The reductions in the Clerk of the Board's office will be implemented by July 1, 2011.

### **Chief Administrative Office** – Reduction of \$189,702

*Reduction Plan:* The Chief Administrative Office reduction plan includes the reduction of a 1.0 FTE Principal Administrative Analyst and utilizes the remaining \$50K in economic development funds to offset CAO staff's time spent in supporting EDAC, Promotions' contract support and in continuing limited facilitation and coordination roles relative to economic development

*Impact to Program/Services:* The reduction of the 1.0 FTE Principal Administrative Analyst will reduce support to the Board of Supervisors and other departments with analytic and/or strategic projects that have a countywide implication. Project examples include annexations and negotiation of property tax increment, analysis of redevelopment agency impacts, fire and emergency services study review, CPS program audit, homeless shelter development, charter review coordination, and solid waste management plan development. In addition to special

projects as needed, the position coordinates media responses, develops routine and emergency public information tools, provides legislative monitoring and policy review, and coordinates Grand Jury responses, status reports and publications. The proposed reduction will limit the Chief Administrative Office's capacity and the skill set to perform these functions. Remaining staff are fully tasked with core duties such as budget management, agenda review and department policy review. With the deletion of the Economic Development Coordinator position certain responsibilities will still remain and be assumed by CAO staff. These include the processing and invoicing of Promotions' contracts and support of EDAC. Additionally, the CAO and ACAO will ensure ongoing coordination with the various economic development organizations in the county.

*Implementation Timeline:* The position reduction would have the Principal Administrative Analyst position reduced through the FY 2011-12 Recommended Budget process, effective July 1, 2011.

**Auditor-Controller** – Reduction of \$259,855

*Reduction Plan:* A detailed plan has not been provided by the department. The CAO's recommendation is to delete 1.6 FTE's which will be vacated through the ERI Program, as well as a 1.0 vacant FTE. In addition, two positions would be downgraded. The combination of these cuts and position reclassifications will achieve the full 10% reduction.

*Impact to Program/Services:* Due to the ERI, there will be a change in key Payroll staff. Because the Payroll position will be deleted, other staff from within the department will take on this function, causing a reduction in staff in other areas. The other position deletion in the Accounts Payable unit may cause delays in claims auditing and processing.

*Implementation Timeline:* Both ERI reductions will occur by December 31, 2010. The position reclassifications will be included in the next personnel allocation change resolution brought to the Board.

**Treasurer-Tax Collector** – Reduction of \$106,965 (\$75,000 included in ERI; \$31,965 CAO Reduction Plan)

*Reduction Plan:* The Department has proposed to delete a higher level position than the position that was vacated through the ERI. This, in addition to a small reduction in services and supplies will result in the full 10% reduction.

*Impact to Program/Services:* The deletion of the position will result in the shift of much of that position's workload to other employees, which may result in an overall increase in processing and response times, and may affect the audit function.

*Implementation Timeline:* The position deletion will be included in the next personnel allocation change resolution brought to the Board.

**Assessor** –Reduction of \$455,016 (\$292,016 included in ERI; \$163,000 deletion of Assistant Assessor)

*Reduction Plan:* Three employees will retire through the ERI. Two of the positions will be deleted. The third position will be retained; however it will be filled internally and the resulting vacancy will be deleted. In addition, the vacant Assistant Assessor position will be deleted. The department has also proposed one position reclassification in order to retain adequate supervisor to line staff ratios. This request will be reviewed by Human Resources and CAO staff.

*Impact to Program/Services:* The department is reviewing workflow processes and appraisal procedures for opportunities for efficiencies in order to maintain productivity. The department is also considering elimination of some services, such as mailing out homeowner exemption forms. The forms could be made available online, saving the time and expense of these mailings. The overall reduction in resources may still result in overall processing and response time delays and may affect the quality of appraisals, which, in turn, could result in increased assessment appeals. The quality of the inventory may be compromised, which could affect the total value of the property tax roll. It should be noted that while the Assessor Elect has agreed not to fill or fund the Assistant Assessor position, he would prefer to retain the allocation for purposes of succession planning. The CAO recommends eliminating the allocation, as it will be several years before the County is in a position to fund it.

It should also be noted that, to the extent we reduce positions and costs in the Assessor's office, there will be a corresponding reduction in the revenue to Department 15 from Special Districts and Cities for reimbursement of costs associated with administration of the property tax roll. It is estimated that position reductions correlate to revenue reductions of approximately one third of the value of the positions deleted.

*Implementation Timeline:* The ERI positions will not be vacated until December 31, and the Assistant Assessor position will not be vacated until early January. The personnel allocation changes will be made during the mid-year process.

**County Counsel** – Reduction of \$102,379

*Reduction Plan:* County Counsel proposes to reduce his departmental budget by 5%, principally through restructuring the administrative and support functions. This will save approximately \$50,000. Reductions in outside attorney costs, which can vary greatly from year to year, and services and supplies will achieve the balance of the savings. The CAO and County Counsel will also evaluate the department's revenues to determine whether there are any opportunities for increases.

*Impact to Program/Services:* The CAO supports County Counsel's plan as submitted. A restructuring of the administrative and support function may result in increased reliance on centralized Information Technologies for assistance with the department's case management system. In addition, depending on the nature of the restructure, if a position is ultimately deleted,

the workloads of the remaining staff will increase, which may cause increased processing and response times.

In order to achieve a 10% reduction, the department would have to eliminate of one FTE Deputy County Counsel. The CAO does not recommend this option. The loss of one attorney would result in reduced legal services to County departments generally. In addition, general fund departments may see greater service reduction because Counsel will have to maintain its level of revenues by providing services to department with outside funding sources. Reduced availability of legal advice to County departments presents the potential for, at best, inefficiencies in many departments' routine operations as review of bid documents, contracts, resolutions, and other documents will take longer, and at worst, increased litigation and losses to the County due to insufficient management of legal issues by departments.

*Implementation Timeline:* If position eliminations are required, they will be brought to the Board in the Spring to be effective July 1, 2011. Any other budget changes will be effectuated in the FY 2011-12 Recommended Budget process.

**Human Resources** - Reduction of \$37,603

*Reduction Plan:* To achieve a 5% reduction in the department's Net County Cost, appropriations for extra help reception/clerical staff will be eliminated.

*Impact to Program/Services:* The department will have to rotate technician staff through the front desk area to perform tasks such as reception, answering phones, mail distribution, etc. IN addition to inefficiencies created by using more highly paid staff to perform lower level functions, this will reduce the time the technicians spend on payroll form processing, benefits administration, recruitments, and support to analysts. The impact will be longer processing times. In addition, the department will likely continue to struggle with proper tracking of documents and other basic clerical needs due to the lack of staff dedicated specifically to these tasks.

In order to achieve a 10% Net County Cost reduction, the department would have to reduce permanent staff. The CAO does not recommend this option. The current Human Resources staff is already challenged to meet turn around times for payroll paperwork processing, recruitments, reclassification requests, and other routine services to departments. In addition, grievances EEO complaints must be received and addressed in a timely manner.

*Implementation Timeline:* The appropriations will be eliminated through the FY 2011-12 budget process.

**Information Technologies** – Reduction of \$307,532 (\$82K taken at Addenda; \$225K included in ERI)

*Reduction Plan:* The Information Technologies department achieved the reduction through one early retirement reduction made in the addenda and two additional early retirement incentives. One anticipated early retirement incentive did not occur as anticipated; however, one additional application has been received. The recommendation is to eliminate this position.

*Impact to Program/Services:* The Department has reviewed their organizational structure and made adjustments to how they will deliver services with the elimination of these positions. Positions being eliminated are in the areas of telecommunications, computer operations and programming.

*Implementation Timeline:* The two remaining early retirement incentives will be complete by December 31, 2010.

**Recorder Clerk / Elections** – Reduction of \$161,131 (\$131,684 taken at Addenda, \$29K included in ERI)

*Reduction Plan:* The position that was vacated through the ERI will be eliminated, resulting in annual savings \$61,131. This position provided all of the department's fiscal support. In the current fiscal year, this support will be partly shifted to other staff within the department while some of the work will be performed by Information Technologies staff. The Recorder has expressed concerns about the long-term viability of this arrangement. CAO staff and the Recorder are considering other personnel changes which may reduce staffing in other areas in order to dedicate one FTE to fiscal functions. Any such changes will be effectuated during the FY 2011-12 budget process.

*Impact to Program/Services:* The shift of the fiscal workload from the eliminated position to other employees in the department may affect those employees' ability to complete their normal work in a timely fashion.

*Implementation Timeline:* The position deletion will be included in the next personnel allocation change resolution brought to the Board.

### **Law & Justice Reduction**

**District Attorney** - Reduction of \$508,582 (\$356,526 included in ERI; \$152,056 CAO Reduction Plan)

*Reduction Plan:* The portion of this plan that is attributed to the early retirement incentive (\$356,526) was reviewed with the District Attorney at the time the applications were received. At that time, we agreed to eliminate the positions, but gave the District Attorney some flexibility to use extra help if needed on a limited basis while he worked on a plan to restructure workload in the Department. Currently we have two approved early retirement applications for positions

located in the South Lake Tahoe office and both will be eliminated. The District Attorney has not submitted a plan to achieve the remaining \$152,056 reduction; however, one additional application for early retirement has been received which will achieve approximately \$75,000 in sustainable savings with the elimination of the position. The remaining \$77,000 will need to be achieved through an additional position reduction.

*Impact to Program/Services:* Two of the early retirement incentives are Investigator positions in the South Lake Tahoe office. The District Attorney has not provided the impact of these reductions and has only indicated that departmental restructuring will need to take place. The third early retirement is in the Victim Witness program. Again, the District Attorney has not indicated what the impact is with the loss of this position.

*Implementation Timeline:* The District Attorney will include reductions of at least \$152,056 in the FY 2011-12 Recommended Budget. Any additional reductions in force will be brought to the Board no later than March, 2011 with an amended Personnel Allocation Resolution.

**Public Defender** – Reduction of \$74,388

*Reduction Plan:* The Public Defender has not submitted a plan to achieve the reduction and has not had any early retirement incentive applications submitted. There are currently two managers in Placerville and the Public Defender is located in South Lake Tahoe. The CAO's office is recommending the reduction of one management position. It is further recommended that the Public Defender spend at least two days a week managing the Department operations from the Placerville Office.

*Impact to Program/Services:* The reduction of one position will mean a redistribution of workload among the attorney staff of which there are currently fourteen including all three managers. The Department handles approximately 6000 cases a year. Based on an average workload of approximately 400 cases a year that would mean an additional 28 cases per attorney per year.

*Implementation Timeline:* The Public Defender will include reductions of at least \$74,388 in the FY 2011-12 Recommended Budget. Reductions in force will be brought to the Board no later than March, 2011 with an amended Personnel Allocation Resolution.

**Sheriff** - Reduction of \$2,971,993 (\$626,368 taken at Addenda; \$1,213,136 included in ERI; \$1,132,489 CAO Reduction Plan)

*Reduction Plan:* The portion of this plan that is attributed to the early retirement incentives (\$1,839,504) was developed with the concurrence of the Sheriff. The Sheriff has not yet submitted a reduction plan for the remaining \$1,132,489; however, once the election on November 2, 2010 has been completed and a new Sheriff elect determined, the current Sheriff will work with the Sheriff elect to determine a plan to achieve the remaining \$1,132,489

reduction. The CAO's recommendation is for the Sheriff's Department to achieve the recommended reduction.

*Impact to Program/Services:* Impacts to programs and services will be determined by which positions will be eliminated. There are currently a number of vacant positions throughout the Department that may be eliminated in order to achieve the reduction. The Sheriff is reviewing restructuring opportunities throughout the department and looking for ways to maintain service levels to the public while providing sustainable cuts.

*Implementation Timeline:* The Sheriff's Department will include reductions of at least \$1,132,489 in the FY 2011-12 Recommended Budget. Reductions in force, if required, will be brought to the Board no later than December 7, 2010 with an amended Personnel Allocation Resolution.

**Probation** - Reduction of \$574,457 (\$130,627 taken at Addenda; \$179,105 included in ERI; \$264,725 CAO Reduction Plan)

*Reduction Plan:* The portion of this plan that is attributed to the addenda process and early retirement incentives (\$309,732) was developed with the concurrence of the Probation Department. The Department has submitted a plan to achieve their remaining reduction of \$264,725. The plan entails reducing extra help and overtime and sustaining these savings over the next several years. The Department plans to utilize salary savings from vacant positions to backfill with extra help and provide a relief factor when positions are vacant rather than budgeting separate dollars for this purpose. Due to the amount of time it takes to fill a vacancy, there are always salary savings. The Department has historically returned funding from salaries and benefits at the end of each fiscal year in excess of the amount of the requested reduction. The Department feels they can reduce the budget, manage their allocations and their vacancies while achieving ongoing savings.

*Impact to Program/Services:* The Department historically has had salary savings from vacant positions due to turnover. The Chief Probation Officer feels he can better maintain service levels to the Courts, the Public and the County by managing the salary savings in a way that allows him the ability to have a relief factor for vacant positions while maintaining existing permanent allocations.

*Implementation Timeline:* The Department anticipates being able to achieve this savings in FY 2010-11 and will include the reduction in the FY 2011-12 recommended budget.