



County of El Dorado

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Legislation Text

File #: 09-0858, **Version:** 1

Chief Administrative Office recommending the Board approve and authorize the Chairman to sign a Budget Transfer transferring funds from Contingency to cover revenue shortfalls within the Development Services Department for Fiscal Year 2008-2009; and adopt a revised Personnel Resolution deleting two (2) Assistant/Associate Planner positions, and one (1) Building Inspector I/II position.

Resolution 157-2009

FUNDING: General Fund.

BUDGET SUMMARY:		
Total Estimated Cost		\$450,000
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Contingency	\$450,000	
Total Funding Available	\$450,000	
Change To Net County Cost		\$450,000

Fiscal Impact/Change to Net County Cost: The attached budget transfer reduces revenues in the Development Services Department in the areas of TRPA permits, planning, and commercial grading and reduces the General Fund contingency for FY 2008-09 for the same amount.

The proposed reductions in staff result in FY 2009-10 savings of approximately \$220,000 with future annualized savings of \$240,000.

Background: The Chief Administrative Office has been working closely with the Department to refine the FY 2008-09 year end projection. It has become apparent that revenues are continuing to decline.

TRPA revenues are down because the number of "Allocations" in South Lake Tahoe (SLT) being picked up are significantly lower. Normally, nearly all the allocations are picked up, with maybe a handful being returned to the pool. However, a larger number of allocations are being rejected. They may be picked up by others lower on the allocation list, but that would take some time. It is more likely that there are just less people in this economy with the desire to build in SLT, so we should expect the TRPA revenues to be lower next year.

Planning Revenue is down due to current planning applications processed on the Time and Materials basis. The Department implemented a 10 day Mandatory Temporary Layoff (furlough) in FY 08/09 and this has affected the amount of billable hours. Billable hours are also being decreased indirectly

by furloughs because the planners focusing on T(ime) &M(aterials) are being asked to cover for other staff, such as in the permit center. Billable hours have also been waived by the Board of Supervisors (such as for Fire Station SUP's and some projects such as a SUP for Pacific House). Finally, the number of current planning applications subject to the T&M fees are continuing to decline. The Department is continuing to refine projections, but activity is clearly slowing, and revenue projections should be adjusted down.

Commercial Grading is down because there are few commercial permits.

Reason for Recommendation:

Requested Action #1

Per Board policy B-1, if a revenue estimate is not going to be met, the department head shall do one or more of the following:

- a. Attempt to speed up revenue collections, or increase rates being charged; or
- b. Lower expenditure levels so that originally budgeted net count costs are not exceeded; or
- c. Request that the revenue estimate be decreased through a transfer from the contingency appropriations by submitting a Board agenda item and budget transfer

The department is working on reviewing their current fee structure and hopes to return to the Board within the next few months with fee changes. The department has lowered expenditures through a mandatory 10 day temporary layoff for all employees as well as an overall reduction of 22 FTE's in FY 2008-09. However, the reductions in staff only resulted in 6 months of savings. This was not enough to fully mitigate the impacts of the reduced revenues. Therefore, the Department is requesting to decrease the revenue estimates and transfer contingency from the General Fund in the amount of \$450,000 in FY 2008-09. This contingency transfer was factored into the fund balance figure projected for the FY 2009-10 budget and is offset with projected savings in other departments, thus has no effect on the Proposed FY 2009-10 budget.

Requested Action #2

Traditionally the bulk of building and planning revenues are collected in the 1st and 4th quarters of the fiscal year. When the Proposed Budget was developed in April, the Department was anticipating an upswing in revenues in the 4th quarter of FY 2008-09. As we near the end of the 4th quarter, the increase in activity has not happened. Therefore the Chief Administrative Office and Development Services department agree that revenue projections should be decreased in the Department's FY 2009-10 budget by approximately \$200,000.

In addition to these overstated revenues, the Department has a reduced appropriation value of approximately \$140,000 (originally intended as a "furlough value") in one-time savings that must be reached. This brings the total Department reductions to \$340,000 for FY 2009-10. The Department is recommending that these reductions be achieved through the following actions:

- 1) A reduction in force of two Assistant/Associate Planners and one Building Inspector I/II. This reduction in force would become effective August 1, 2009 and result in approximately \$220,000 in savings in FY 2009-10. These reductions in force would result in approximately \$240,000 in on-going

annualized savings.

2) Hold the Department Analyst position vacant resulting in approximately \$58,000 in one-time savings. The FY 2009-10 Proposed Budget deleted the Fiscal Administrative Manager and added a Department Analyst. The Department is working closely with the Chief Administrative Office to come up with some creative solutions to manage the financial administrative needs of the department.

3) Currently the Department has one Sr. Planner on "loan" to the Human Services department working on the Housing, Community and Economic Development division. The Department is exploring the opportunity to extend the time-frame of this "loan" which could result in additional one-time savings of approximately \$45,000.

4) Explore options for a new fee structure to optimize revenues. Changes in the fee structure could result in ongoing additional revenues.

Action to be taken following Board approval: Board clerk to forward signed budget transfer to the Auditor-Controller for processing. Board clerk to forward a copy of the signed personnel resolution to Human Resources for implementation.

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Concurrences: