



**AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS**

<b>ITEM TITLE</b> Receive a report on the re-organization of the Department of General Services; Approve in concept the deletion of 1.0 FTE Associate Architect, 1.0 FTE Administrative Secretary and 1.0 FTE Office Assistant III; and Direct the Department of Human Resources to bring back a resolution to amend the position allocation list		<b>BOARD MEETING DATE</b>  October 26, 2010	<b>AGENDA NUMBER</b>  <b>30</b>
<b>Dept:</b>	County Administrator	<b>Supervisorial District Number</b>  All	
<b>Contact:</b>	George Untal, Sr Mgt Analyst		
<b>Extension:</b>	784-6111		
<b>Published Notice Required?</b>		Yes <u>  X  </u>	No <u>      </u>
<b>Public Hearing Required?</b>		Yes <u>  X  </u>	No <u>      </u>

**DEPARTMENTAL RECOMMENDATION:**

It is recommended that the Board of Supervisors receive a report on the re-organization of the Department of General Services; approve in concept the deletion of 1.0 FTE Associate Architect, 1.0 FTE Administrative Secretary and 1.0 FTE Office Assistant III; and direct the Department of Human Resources to bring back a resolution to amend the position allocation list.

**SUMMARY:**

The Department of General Services is comprised of the following functions, organized as operating divisions: Administration, Nut Tree Airport, Fleet Management, Central Services, Architectural Services, Facilities, Real Estate Services, Animal Care Services and Parks. The General Services Department staff has indicated that further budgetary cuts to direct services would result in its inability to meet the requirements of County user departments. Also, additional reductions in the constituent services divisions, such as Animal Care, Nut Tree Airport, and Parks, would likely require closure.

To identify departmental savings and cost reductions that could be applied towards the County's \$18 million structural deficit, the CAO assisted the Department of General Services staff by undertaking a program and organizational review of the Department. The objective was to identify opportunities in the Department's organizational structure and service delivery models that could result in a more efficient use of resources that would result in savings. The review showed that the Department could achieve efficiencies by centralizing its fiscal and administrative services under the Administration Division. The efficiencies gained from the reorganization would allow the Department to eliminate two full time positions with limited negative impact to the direct services. The restructuring would result in a consolidation and realignment of clerical support services.

The review of the Architectural Services Division and associated billing/cost recovery model revealed that an associate architect position could be eliminated due to duplication of efforts on many projects in process. Given the Accumulated Capital Outlay (ACO) Fund has sustained a reduction of \$300,000 in ongoing property tax revenues and the deferred maintenance reserve has been depleted in FY2010/11, it appears prudent to review how to maximize the use of ACO funds in the coming years. The staff reduction should result in reduced charges to projects and an efficient use of staff resources without excessive duplication of efforts in the cost recovery. Although there are no direct savings to the General Fund, it is anticipated that Division of Architectural Services (DAS) project management costs for projects will be reduced resulting in more funds being used towards actual construction costs of capital projects and major maintenance.

### **FINANCING:**

The deletion of 2.0 FTE positions as a result of the centralization of administrative and fiscal services will result in net savings of \$61,331 for the balance of FY2010/11 and annual savings of \$147,196 starting in FY2011/12 to the General Fund.

The deletion of 1.0 Associate Architect will result in \$60,910 in savings in project management services charged to capital projects this fiscal year and \$131,000 in annual savings starting in FY2011/12.

### **DISCUSSION:**

The effects of the recession and the collapse of the real estate market continue to worsen in Solano County. Sharp declines in revenues from property taxes, sales taxes (Proposition 172), government subventions, and program receipts have been exacerbated by rising expenditures, primarily in labor costs, creating a structural financial deficit estimated today at \$18 million. Two rounds of budget cuts and lay-offs have failed to eliminate the deficit. Conservative revenue projections used in the five-year forecast for the General Fund and the Capital Improvement Plan may not materialize due to the slow pace of the economic recovery. Consequently, the Board has chosen to take a proactive approach to address the structural deficit by directing departments to undertake General Fund cost reductions.

Since the beginning of FY2008/09, the Department of General Services has eliminated 33.5 positions, or 21.5% of its total allocations; total appropriations have been reduced by \$9.4 million, or 26.4%, over the same period. Direct services and service levels have been reduced significantly in almost every program, except capital projects. The Department has indicated that further cuts in operations put at risk its ability to meet minimum service levels in facilities maintenance and support services to County user departments. The Department has also identified staffing and structural budget issues in Animal Care, the Nut Tree Airport, and Parks.

As a result of the deep budget cuts and associated lay-offs, a number of departments have re-organized to ensure that their operating structures optimize the capacity of their remaining personnel to effectively meet program service requirements. The CAO has assisted departments, including General Services, in undertaking program and organizational reviews.

The findings are shared with the Department of Human Resources and where appropriate, recommendations are taken to the Board.

The review of General Services focused on its organizational and service delivery structure. The goal was to create an efficient model that will provide services more cost effectively. The review revealed that centralization of administrative and fiscal services within the Government Center offices could generate efficiencies that would allow the Department to provide the same services with two fewer staff as a result of:

- a. better coordination and more equitable workload distribution
- b. improved supervision of work
- c. standardized method of work

The administrative support services are currently dispersed by program to four located within the same office suite as shown in Attachment A. The reorganization will transfer the following positions to the Administration Division: 1.0 FTE Administrative Secretary from Central Services and 1.0 Accountant from Architectural Services; and eliminate 1.0 Office Assistant III from Real Estate Services and 1.0 Administrative Secretary from within Administration. See Attachment B.

In addition to the reorganization of administrative and fiscal services, the review also identified the potential to reduce staffing in the Architectural Services Division by reducing the division by one associate architect position. A reduction in project management requirements will result from:

- a. reduced demands and funding available for new capital projects
- b. the deferral or delay of current capital projects where feasible to stagger delivery/completion
- c. efficient utilization and assignment of project managers under contract and within the Division

The elimination of 1.0 FTE Associate Architect is anticipated to result in lower project management costs charged capital projects as there will be fewer hours allocated to each project. Although funding for new capital projects are derived from sources other than the General Fund, funding for capital renewal projects (major maintenance) are usually General Fund dollars. In recent years, appropriations for capital renewal projects from the General Fund have totaled \$20 million. Due to the County's current fiscal position, additional appropriations are not anticipated. Any unused appropriations from current capital renewal projects resulting from savings in administrative costs can revert to the General Fund or be redirected to fund other capital renewal projects.

The Accumulated Capital Outlay Fund receives approximately \$1.6 million in property tax increment annually. Of this amount, \$900,000 is dedicated towards debt service on the 2002 Certificates of Participation. In recent years, the remaining tax increment has been used to cover administrative costs and project management costs for capital projects. The reduction in project management costs will free up some funding for the construction costs of new projects and capital renewal projects.

**ALTERNATIVES:**

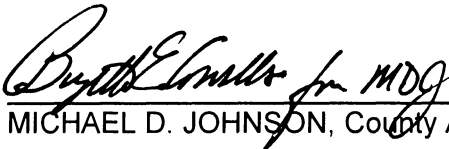
The Board of Supervisors may choose not to approve the reorganization; this alternative is not recommended because the reorganization will result in a more efficient organizational structure that will provide required services at lower costs.

The Board may also choose not to approve the deletion of the Associate Architect position; this is also not recommended since the reduction in administrative costs in capital projects will result in additional funding for construction costs of capital renewal projects, which will mitigate General Fund contributions.

**OTHER AGENCY INVOLVEMENT:**

The Department of Human Resources has reviewed the proposed re-organization proposal for the Department of General Services. The Department of General Services has been consulted and informed of the recommendations in this report.

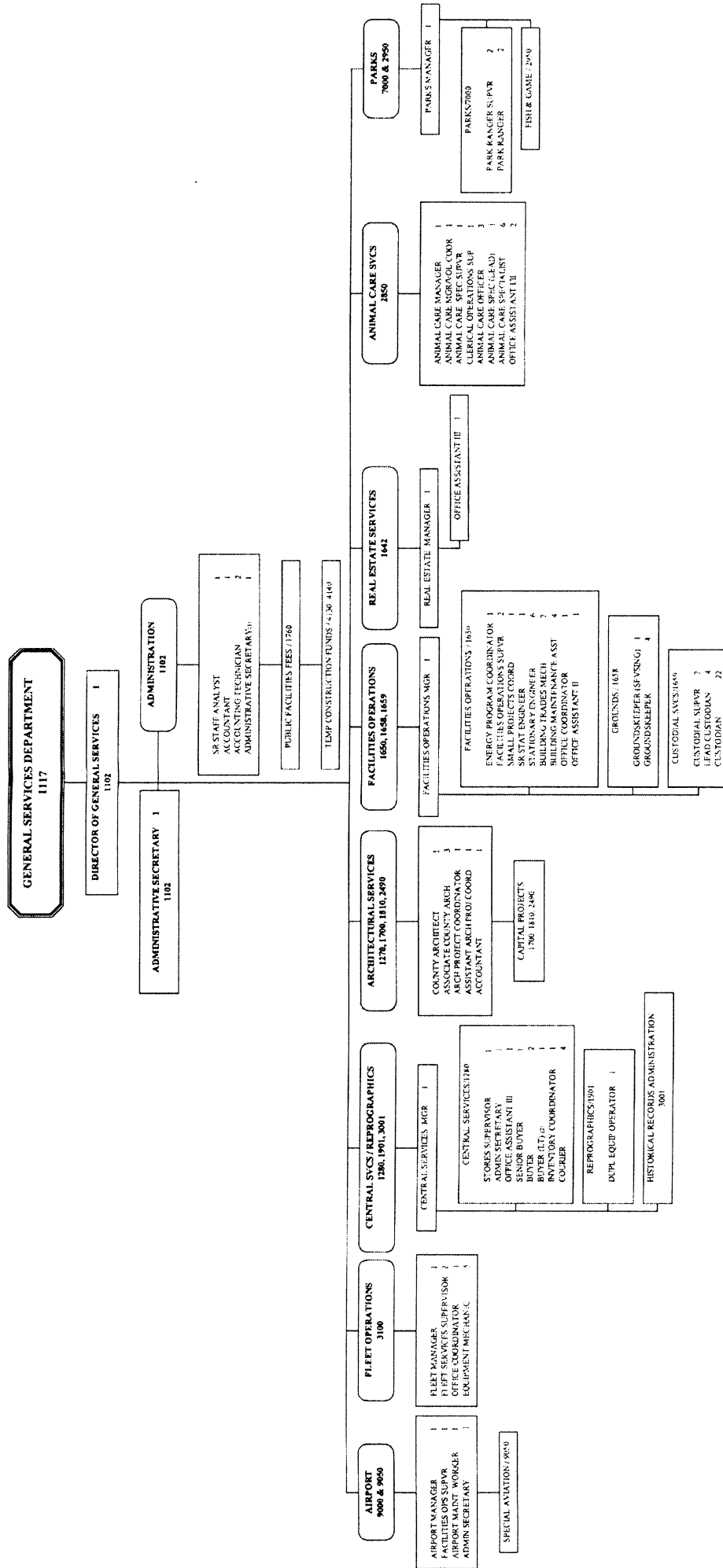
**DEPARTMENT HEAD SIGNATURE:**

  
MICHAEL D. JOHNSON, County Administrator

Attachment A – Current Organization Chart

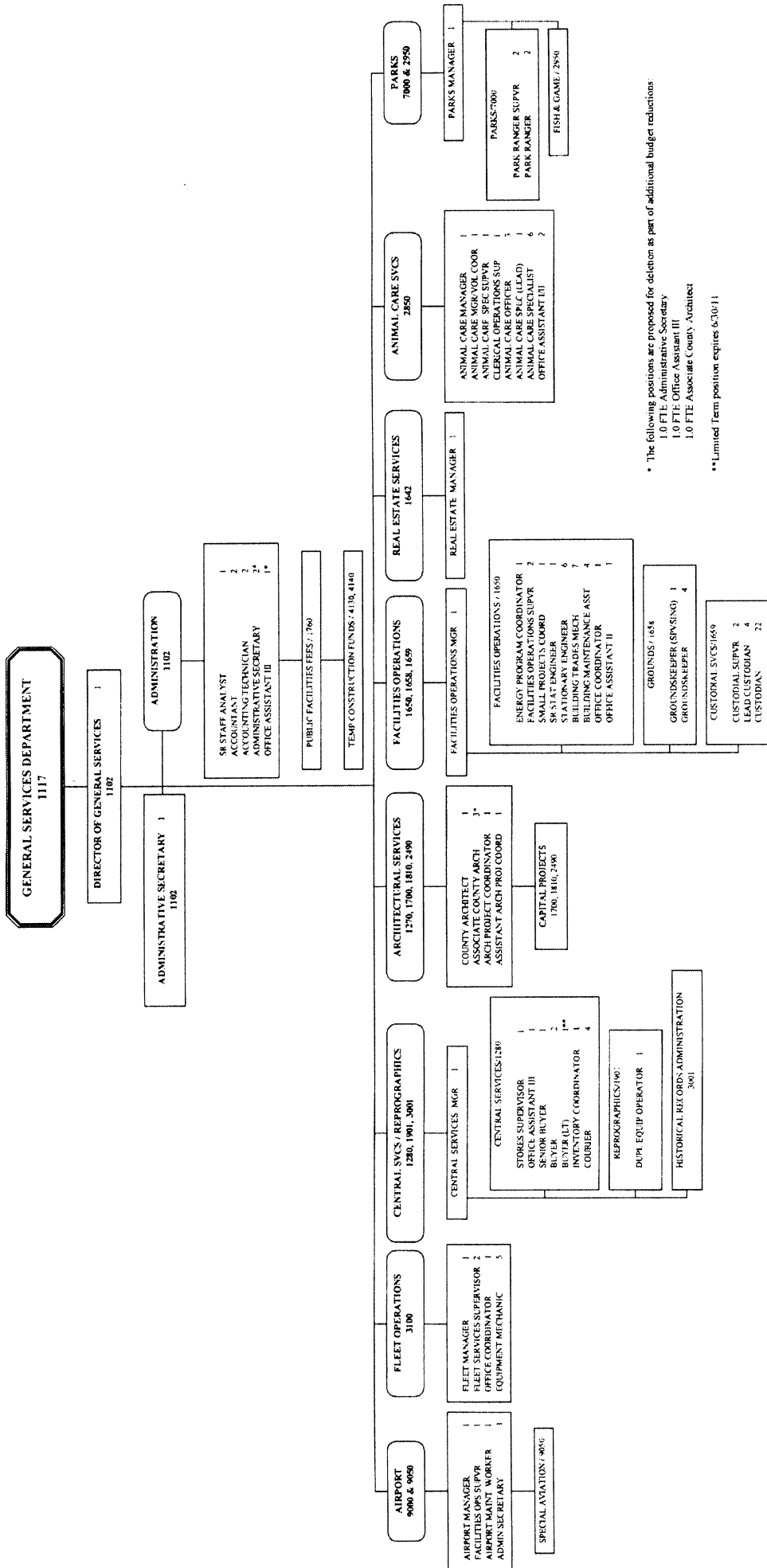
Attachment B – Proposed Organization Chart with Recommended Changes

# GENERAL SERVICES DEPARTMENT EXISTING FY 2010/11



(1) One Administrative Secretary's position is shared by the Parks & Administration Divisions.  
 (2) Limited Term position expires 6/30/11

# GENERAL SERVICES DEPARTMENT PROPOSED FY 2010/11



\* The following positions are proposed for deletion as part of additional budget reductions:  
 1.0 FTE Administrative Secretary  
 1.0 FTE Office Assistant III  
 1.0 FTE Associate County Auditor

\*\* Limited Term position expires 6/30/11

TOTAL PROPOSED/ALLOTTED POSITIONS: 119

GFS SVCS Proposal FY 10-11 (BOS Item 10-26-10)  
 October 19, 2010