

DSD Management Comments on Reorganization Team Study

(Provided to CAO 4/26)

(Updated by GF 7/24)

The attached study was prepared by DSD staff in consultation with a DOT team in response to direction by the CAO in March to identify next phase reorganization options by May for consideration in the upcoming FY 07-08 budget process.

The draft study was delivered to the CAO and Department Management staff on April 16 and provides an exceptional amount of information given the very short period of time that staff was allocated for completion. The team should be commended for their efforts.

The study provides 14 Recommendations to implement the proposed reorganization along with a proposed organization chart, and preliminary cost/revenue, activity, and staffing analyses (pp. 9-10)

The study also identifies a list of unresolved issues to be addressed (pp. 14-16).

DSD's Management Team met initially on April 18 to begin reviewing the study. Due to the extensive nature of the study, an additional review meeting was held on April 26. The comments below reflect the recommendations of DSD's management team.

The task at hand now is to determine appropriate next steps and timing for moving forward.

In reviewing the study, the DSD management team identified the following "filters" for reviewing the proposed recommendations:

- Would the change improve customer service?
- Would the change increase or decrease efficiency?
- Would the change align with the basic mission of the department?
- Would the change be budget neutral?
- Is there sufficient space available to accommodate new staff ?
- Is the timing for implementation achievable?
- Would the change be received positively by the public and County Board of Supervisors?

After reviewing the study and applying the above filters, the DSD management team conclusions are as follows:

- 1) **Phased Approach Needed with Stakeholder Input:** The scope of the reorganization and the possible positive and negative effects on efficiency, service and budget are significant and warrant careful consideration and a deliberate plan for implementation. We are recommending a phased approach (Phase I- Preparation; Phase II- Implementation) that will be outlined below. Input/feedback from customers/stakeholders and related Boards and Commissions has also not yet been formally obtained and considered in development of this phased reorganization plan. This can take several weeks/months to complete and should occur before a formal reorganization plan is completed and presented to the Board.
- 2) **Clarify Scope of Functions:** The scope of various functions proposed for transfer still need to be better defined. For example, regarding **NPDES** functions, DSD will only be assuming enforcement/inspection functions related to private development projects. Oversight of public projects, other agency projects and overall program administration/responsibility would reside elsewhere. **Concerning Flood Control**, DSD's activities will be limited to flood plain administration, flood elevation certification, drainage study review, and enforcement actions related to placement of unlawful obstructions within publicly held drainage easements. Maintenance of public or private drainage conveyance facilities, creeks, etc. does not fall within the scope of DSD's activities and should be assigned elsewhere. Public inquiries/complaints about maintenance of public or private drainage conveyance facilities should be handled by the same entity that is responsible for maintenance. An update of the County Flood Plain Management Ordinance is pending. Any assignments of responsibilities related to Flood Control should be coordinated with this ordinance update and deferred until Phase II. The ordinance update will take several months to complete. Responsibility for completion of the **Design Standards Manual** related to traffic/road issues needs to be determined; including timelines, budget, and oversight. This should remain primarily a DOT function in consultation with the new DSD engineering division. This should be a top priority for completion within the next 6 months during Phase I. **General Plan Implementation** responsibilities will also need to be reviewed and revised following implementation of the reorganization in Phase II.
- 3) **Filling County Engineer Position is Key:** A key to making the transition of technical responsibilities from DOT to DSD successful is to have the leadership position for the new DSD engineering position filled in Phase I prior to the transfer of these functions in Phase II. This is critical for several reasons not the least being legal/technical as this position will be functioning as the County Engineer and the licensed professional overseeing and ensuring that the engineering reviews being performed meet standards. A recruitment has not yet started for this position, Board approval and funding has not yet been obtained.

- 4) **Establish a Transition Team:** In addition to moving forward with the Deputy Director/County Engineer recruitment, a core team should be established during Phase I implementation to begin establishing the organizational structure for the new division and related support staff. This could include the following:

Admin Support Staff
Operations Supervisor (current DSD position)
Contract Administrator
Fiscal - Time and Materials Billing Staff

- 5) **Finalize New Job Descriptions:** The study identifies the need for a new Development Review Manager position; a new Deputy Director position and a new Traffic Engineer position. All of these positions require new job descriptions/specifications and Board review and approval. This will take several months and should occur during Phase I.
- 6) **Determine Compensation:** Salary levels for the proposed new positions will need to be set and the effects on compaction with existing positions within the DSD organizational structure will need to be addressed (e.g. maintain 15% minimum differential between Director and Deputy Director, maintain 10% minimum differential between Development Review Manager and Deputy Director Planning/Building, review/revise salary for Deputy Director Administration to at least the same level as compensation for that position in DOT. This could take several months to accomplish and should be done in Phase I in conjunction with the fee study/implementation to avoid further budgetary impacts. This will also likely involve consultation with affected labor bargaining groups.
- 7) **Develop a Financial Plan to Maintain Budget Neutrality:** The study prepared by DSD staff identifies a funding gap that could amount to approximately a 20% increase in Net County Cost for DSD until a fee study is completed and new fees for services being transferred from DOT are implemented. This will take 6 months minimum to accomplish from the time the process starts and should be a priority during Phase I. Startup costs are not included in the 20%. The estimated first year costs are \$179,000, which assumes that all revenues associated with new functions are transferred to DSD concurrently with transfer of the associated positions. This estimate can move upwards if funding languishes. DOT financial staff is doing additional analysis to demonstrate that budget neutrality can be achieved. This matter requires further review prior to moving forward with implementation. This "transition" team could be included in the FY 07-08 budget provided that sufficient revenues are transferred with these positions to ensure fiscal neutrality.
- 8) **Address Space Availability:** Space within DSD needs to be identified either in EDH or Placerville to accommodate the new positions. Currently the Placerville office is very constrained with regard to space. Consequently, most of the positions proposed for allocation to DSD would need to be housed in the EDH office in space currently assigned to DOT and within any remaining available space assigned to DSD. If the potential for EDH office closure next year remains, then alternative space arrangements for new staff will need to be explored.

- 9) **Resolve MOU Issues:** The implications of any transfers/reorganization on existing MOU's with bargaining groups still need to be determined and addressed. A sufficient period for consultation with the affected bargaining groups needs to be provided. This could require several weeks/months to complete and should occur in Phase I.
- 10) **Fill Vacancies/Establish Contracts:** Nearly all of the key positions that would transfer to DSD from DOT that are critical to implementing the newly assumed functions will be vacant (Deputy Director, Development Review Manager, Traffic Engineer, Senior Civil Engineer for Flood Control, Operations Supervisor for Inspection, Senior Civil Engineer for Discretionary Project Conditioning/Review; and possibly the Supervising Civil position overseeing Subdivision plan review. It will take months to fill these positions. If a contractor is temporarily brought in to perform some or all of these functions, it will take months to go through the contract/procurement process to select and hire the contractor. These issues will need to be addressed in Phase I prior to transfer of functional responsibilities in Phase II.
- 11) **Adequate Administrative/Fiscal Staffing:** We are not certain how the 3.5 new administrative/fiscal support positions are intended to be filled (i.e. through transfer of DOT staff or through open recruitment). Additional fiscal/contract support will be critical to instituting and implementing the time and materials billing/accounting systems needed to fund the newly assigned functions. Any necessary transfers/recruitments should occur in Phase I.
- 12) **Timing for Transfer of Subdivision Inspection Unit:** It is our understanding that DOT proposes to loan a portion of their existing subdivision inspection team to DSD for the initial months of the transition until new inspection staff can be hired and/or trained. These DOT inspectors currently inspect both DOT CIP projects and developer delivered road/improvement projects. We are unclear how the priorities of these inspectors will be set while they are on loan to DSD. We also expect that these positions will be hard to fill and take time to train, so it's unlikely that adequate new staff will be in place at the time that DOT plans to shift their inspectors back. This could leave the County and Department in a very awkward position that could require obtaining contract support for extended periods of time to carry out these functions. Completing the procurement/selection process for contract support will take several months. It would be preferable for DOT to maintain this function until either contracts or new staff is in place at DSD for this function. This issue can be reviewed further by the transition team during Phase I.
- 13) **Traffic Study Review:** Traffic related reviews/analyses are a critical component of the development review process that can be streamlined to improve customer service and coordination. This includes: traffic impact analysis, determining project mitigation measures related to traffic issues, writing related conditions and findings, and coordinating these efforts with other aspects of the review process. The County currently has a two track system in which applicants often work separately with both departments to try to resolve their issues. Often solutions required by one department may not take

into consideration the issues/needs of the other department. This is a primary cause of confusion for the public and extends the time for the review process. Development related traffic reviews, conditioning, coordination, impact analysis should be managed through Development Services so that the current two track system can be eliminated. This function should be transferred in Phase II once staff and/or contracts are in place to administer this function.

- 14) **Reimbursement Agreements for Transportation Improvements:** Close coordination between traffic analysis, conditioning and determining reimbursement is needed. If reimbursement agreements will remain with DOT, a process needs to be agreed upon between the departments during Phase I to ensure close coordination and timely completion.

Summary of Next Steps: A phased approach is recommended. The first phase would include steps needed to lay the groundwork for future transfers of functions and responsibilities. The second phase would involve actual implementation of the transfers of functions and responsibilities. Phase I is anticipated to take 6 to 12 months. Key items to accomplish in each phase would be:

Phase I

- Obtain Stakeholder Input and Board Approval for Reorganization Plan;
- Develop and obtain approval for necessary budget, job descriptions and salaries for new positions, complete analysis of expected activity and necessary staffing, and address space issues;
- Initiate recruitments for key positions and initiate contractor selection/procurement process to put in place any necessary contract support staff;
- Initiate recruitments for subdivision inspection positions and/or contract support in anticipation of assuming this function in spring 2008?;
- Assign an HR/Counsel team immediately to resolve pending MOU issues and coordinate with bargaining groups and then determine which occupied positions within DOT will transfer (if feasible per MOU's) and which positions will transfer vacant requiring initiation of recruitments. This team will assist in expediting HR related aspects of reorganization implementation;
- Determine if outside assistance is necessary and then commence a funding study and develop fee recommendations to ensure that the reorganization would not cause an increase in net county cost;
- Assign a DOT/DSD team immediately to clarify the scope of all functions to be transferred;
- Direct DOT/DSD staff team to complete updates to the Design Standards Manual related to road/traffic related issues;
- Request County Counsel to conduct a review of all legal documents that pertain to the proposed reorganization and determine any amendments that will be necessary to implement the reorganization;
- DSD to develop a public outreach plan in conjunction with the CAO's office for communicating reorganization issues/changes/schedule for implementation to the public;
- DSD/IT to review all existing automated systems to determine updates/changes that need to occur to facilitate the reorganization;
- DOT/DSD and Counsel to work together to develop written procedures and performance standards for reimbursement agreement processing;
- Review status of Phase I implementation at 60 day intervals with CAO and Board to determine the appropriate time for Phase II transfers of functions.

Phase II

Phase II would include transitioning functional responsibilities after completion of Phase I preparatory work and after a sufficient period of cross training between DOT staff and DSD staff who will be carrying out new functions. DSD/County Engineer will determine when sufficient cross training has occurred. The recommendations of the team pertaining to budget, scope, timing, etc. related to the implementation phase should be followed. Functions should not transfer until the staff is available, trained and approved by the County Engineer as prepared and qualified to commence their duties.

Functions to be transferred include: County Engineer; Discretionary Project Review; Traffic Study Review/Conditioning/Mitigation; Subdivision Improvement Plan Reviews; Mass Pad Grading Review; Traffic Engineer for Development Review; Flood Control only for the purposes noted above; NPDES enforcement regarding private development projects only. Further evaluate whether there would be any benefit to transferring the DOT inspection unit due to the need for DOT to maintain its own inspection capabilities and make more efficient use of inspectors for both public and private road projects by maintaining them in one unit. Further review reimbursement agreement procedures to determine if DOT should retain this function once new procedures are in place.