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public sector management consulting



December 6, 2011

Mr. Henry Taboada
General Manager
Rossmoor Community Services District
3001 Blume Drive
Rossmoor, CA 90720

Dear Mr. Taboada,

We are pleased to transmit this critique of the Administrative Draft Fiscal Analysis Case Study: Los Alamitos, Seal Beach and Rossmoor, dated June 18, 2011. To assess the financial data in the Case Study as it relates to your District, we have reviewed the Case Study report and related documents such as the budgets, financial statements and salary schedules of the three subject jurisdictions, as well as the County of Orange, and the 2008 Rossmoor Incorporation Comprehensive Fiscal Analysis.

We understand that the Rossmoor Community Services District (RCSD) obtained this study in response to a request for financial data pertaining to the County of Orange's revenues and expenditures attributable to the Rossmoor community. We do not believe that the Case Study provides sufficient documentation and information to provide your District with a definitive and credible assessment of those revenues and expenditures. The details in the attached document provide the basis of this conclusion.

Please feel free to contact us at any time if you have questions about the content of this critique. Thank you for the opportunity to serve the Rossmoor Community Services District.

Sincerely,

Fred Brousseau
Principal

Introduction and Purpose of Critique

At the request of the Rossmoor Community Services District (RCSD), Harvey M. Rose Associates, LLC has reviewed the Administrative Draft Fiscal Analysis Case Study: Los Alamitos, Seal Beach and Rossmoor, dated June 18, 2011. The purpose of this critique was to assess the financial data in the case study, particularly as it relates to RCSD.

The Case Study report was submitted to the Orange County Local Agency Formation Commission (LAFCO) in June 2011 and identifies savings to be achieved through consolidation of the cities of Seal Beach and Los Alamitos and RCSD into a single city. The savings would be shared by not only the three jurisdictions but the County of Orange as well since it provides some municipal services to the Rossmoor community.

The Case Study report was provided to RCSD by Orange County LAFCO in response to a RCSD request for financial data related to services provided by the County of Orange to the community of Rossmoor. Though identification of such data is not the primary purpose of the Case Study report, in the process of identifying the current costs of public services for the three jurisdictions, the study does identify County revenues and costs incurred by the County that are reportedly attributable to RCSD. However, most of the Case Study pertains to cost reductions for the three jurisdictions that the study authors believe would be realized if consolidation occurs. Our conclusion is that the Case Study does not provide sufficient documentation and information to provide the District with a definitive and credible assessment of those revenues and expenditures.

The report states that the purpose of the analysis is,

“...to identify where consolidation may eliminate duplication of service or staffing as well as identifying where potential economies of scale might be gained. This analysis also discusses potential constraints to consolidation.”¹

Further, the document states that it is intended to be, “used by the agencies to guide decisions about sharing services/staff or to determine if further detailed studies and discussions should occur.”² The report states that it only considers administrative reductions and assumes that direct service delivery staff will remain the same in order to maintain the current level of services.

Methods

A detailed review was conducted of the Case Study report and Fiscal Year 2010-11 budgets and annual comprehensive annual financial reports (CAFRs) from Fiscal Year 2009-10 for the three subject jurisdictions and the County of Orange. Salary schedules were also obtained and reviewed for the two cities. Though the sources of certain information such as the exact benefits rates and salaries used in the Case Study are not documented in the report and thus could not be definitively confirmed, the estimated

¹ Executive Summary, page 1

² Executive Summary, page 1

salary and benefits savings for the three jurisdictions could be approximately identified from budget and financial documents of the subject jurisdictions.

Case Study Summary

The report states that savings and revenue increases of approximately \$2.7 million per year could be achieved through consolidation of the three jurisdictions. The following savings are identified throughout the Case Study report and are consolidated here to show how each component of the savings or revenue increase presented in the Case Study would contribute to the total:

Table 1: Summary of Case Study Savings and Revenue Increases

Item	Amount
Salary & benefits savings: Elimination of 16 positions	\$ 1,700,130
Elimination of all Los Alamitos City Council costs	62,250
Reduction in cities' contract City Attorney costs	95,350
Elimination of all RCSD Administration costs*	306,680
Total Cost Reductions	\$ 2,164,410
Increase in Motor Vehicle License Fees	491,705
Total Cost Reduction/Revenue Increase	\$ 2,656,115
* includes legal counsel, finance, Board of Directors	

As shown in Table 1, approximately \$1.7 million, or most of the identified savings, would be generated from elimination of sixteen positions identified in the report. This includes positions now funded in the three jurisdictions and some funded by Orange County for services provided to RCSD.

Beyond that, the Case Study assumes that all of the City Council costs for the City of Los Alamitos could be eliminated, that contract City Attorney costs now incurred by the two cities would be reduced by \$95,350 and that all RCSD Administration costs, which includes Board of Directors, contract attorney, financial management and other costs, could be entirely eliminated. In addition to approximately \$2.2 million in salary, benefits and other cost reductions, the Case Study assumes an increase of \$491,705 in Motor Vehicle License Fee revenues for the consolidated city, for a grand total of approximately \$2.7 million in General Fund savings and revenue enhancements. The Case Study also that restricted Gas Tax revenues would increase by \$46,645 per year after consolidation.

Issues Pertaining to County of Orange Costs and Revenues Attributable to RCSD

In response to RCSD's request for financial data, Orange County LAFCO provided the Case Study report. Though the primary purpose of the Case Study was to analyze the benefits of consolidating the Cities of Seal Beach, Los Alamitos and the Rossmoor Community Service District, the report does present some information on the County of Orange's revenues and expenditures attributable to RCSD. However, the following issues were identified regarding the information presented pertaining to the County.

- The Case Study presents County of Orange revenues and expenditures attributable to the Rossmoor community but does not provide any documentation of the sources for this data. The report states that the presented data is from each agency's Fiscal Year 2010/2011 budget, Fiscal Year 2009/2010 audited financial statements and, "other public documents" though the latter group is not identified anywhere in the report. Since County revenues and expenditures are not presented in either the County budget or Comprehensive Annual Financial Report (CAFR) for just the Rossmoor area, other public documents must have been used for this data but it is not possible to verify the sources or amounts since the source documents are not disclosed.
- No County expenditures are assumed for services to RCSD for animal control services. No reduction in County expenditures for the County's street and highway improvements attributable to RCSD as part of an unincorporated area are assumed after consolidation.
- County of Orange General Fund revenues from Rossmoor are identified in the Case Study report as \$1,337,000 and expenditures as \$1,461,000, resulting in a net deficit of \$124,000, as shown in Table 2.

Table 2: Case Study's Reported General Fund Revenues & Expenditures for County of Orange Attributable to RCSD

Revenues	\$ 1,337,000
Expenditures	\$ 1,461,000
Net	\$ (124,000)
Source: Case Study Report	

Again, no source documents are identified in the Case Study report to allow for independent verification of the validity of these amounts. The Case Study report states that \$330,000 in County property tax revenues is generated from Rossmoor community properties per year. The report states that the basis of the estimate was the 2008 Rossmoor Incorporation Comprehensive Fiscal Analysis, but no details are provided on the estimating methods used to derive the \$330,000.

- County data compiled by the Orange County Auditor-Controller and presented in the 2008 Comprehensive Fiscal Analysis showed that Rossmoor properties contributed \$771,440 to County of Orange property tax revenue in Fiscal Year 2007-08, or \$441,400 more than the estimated \$330,000 reported in the Case Study. There is no explanation for the difference between these amounts in the Case Study report but it does not appear to be due to a decline in property values as RCSD's property tax revenues were reported as \$601,286 in the 2008 analysis and \$683,600 in the Case Study report.

The Case Study's reported County deficit of \$124,000 for services provided to Rossmoor becomes a \$317,440 net surplus to the County using the Auditor-Controller's property tax revenue amounts, as follows:

Table 3: County of Orange Property Tax Revenue and Net Costs from RCSD Using Case Study and 2008 Rossmoor Incorporation CFA

	Case Study	CFA
Property Tax Revenue	\$ 330,000	\$ 771,440
Other General Fund Revenue	\$ 1,007,000	\$ 1,007,000
Total General Fund Revenue	\$ 1,337,000	\$ 1,778,440
Costs of RCSD Services	\$ 1,461,000	\$ 1,461,000
Net	\$ (124,000)	\$ 317,440
Sources: Case Study Report & 2008 Rossmoor Incorporation CFA		

- The Case Study reports that the County of Orange could realize a savings with consolidation of the three jurisdictions. While some County costs would be reduced if a consolidation occurred, the County would also lose some of its current revenues under provisions of State law governing annexations and consolidations³. The County would be required to transfer some of its revenues to cover a portion of its costs for services now provided to the RCSD that would be taken over by the new municipality, such as police services. Further, the County is not incurring net costs for services to Rossmoor if the County's Auditor-Controller's property tax revenue data is used, as shown in Table 3.
- County of Orange sales tax and franchise fee revenue revenues attributed to Rossmoor in the Case Study report are similar in value to those in the 2008 Comprehensive Fiscal Analysis; but fine and fee revenue appear to have been estimated using other undisclosed methods. Details of these revenues are not provided in the County's budget or CAFR. County building and plumbing permit fee revenue are presented without explanation of the source of that data.
- The Case Study's \$1,461,000 estimated County cost for law enforcement services provided to RCSD appears to be overstated. The amount is apparently based on estimated Sheriff Department costs of \$1,054,425 for RCSD's patrol services as originally presented in the 2008 Rossmoor incorporation Comprehensive Fiscal Analysis. For the Case Study, that amount was then increased by four percent per year to arrive at an estimated \$1,235,000 for FY 2010-11 costs for the service. However, rather than a four percent increase per year, the Sheriff's Department's budgeted costs decreased by 7.3 percent between FYs 2007-08 and 2010-11, according to County budget documents for those years. If applied to the \$1,054,425 in annual costs from the 2008 Comprehensive Fiscal Analysis, the new cost for RCSD patrol services would be \$977,552, or \$76,783 less than the FY 2007-08 amount, and \$257,948 less than the \$1,235,000 in Sheriff's costs presented in the Case Study report.

³ See California Government Code 56180.

Other Case Study Issues

As stated above, the intent of the Case Study was not to analyze the County of Orange's costs and revenues attributable to RCSD, but to identify duplications of service and staffing, potential economies of scale and constraints to consolidation, including such opportunities at RCSD and the County. The following other issues were identified in reviewing the report:

- The consolidated General Fund financial position of the three separate jurisdictions is misstated in the Case Study Executive Summary as being a deficit of \$85,555. The correct number is a surplus of \$85,555.
- While the concept of eliminating redundant department heads if the three jurisdictions are consolidated cannot be argued, only seven of the 16 positions deleted in the Case Study report are department heads; the remaining nine positions are mid-level management or line staff positions, the elimination of which requires further analysis of workload and capacity of remaining staff.
- The basis for, and service level impact of, deletion of non-department head positions is not presented in the Case Study report, making it impossible to assess the viability of the corresponding estimated savings. No evidence is provided in the Case Study that there is existing capacity to absorb the duties performed by the positions to be deleted or why current service levels would not be affected.
- The Case Study methods for identifying cost reductions are not consistently applied, raising a question about their validity. For example, no positions other than the duplicate director of public works would be deleted from the existing Public Works departments, but mid-level managers and/or line staff would be deleted in all other departments. There is no statement in the report explaining why there are no opportunities to achieve efficiencies and reduce costs in the public works function, as was apparently found in other departments and functions.
- Savings to the County do not represent an actual reduction in expenditures as many of the reported costs are for partial positions or overhead, both of which would likely remain ongoing County costs.
- All costs budgeted by the City of Los Alamitos for City Council operations and by RCSD for its Administration unit would be deleted in the consolidated city, according to the Case Study. The basis of deleting all personnel and non-personnel expenditures from these two budget units is not explained in the study and no other departments' total costs would be completely deleted. With complete deletion of these two budget units, there is no allowance for increased non-personnel costs, such as office supplies, printing and postage, for increased City Council and City Manager operations that could be expected as a result of the 90 percent growth of the City's population compared to the population of the city with the largest population, Seal Beach.

- A balanced picture of the financial impact of consolidation is not presented in the Case Study report to assist the agencies in decision-making about consolidation, one of the stated intents of the report. One-time implementation costs related to consolidation are not identified. Consolidating the three jurisdictions would require significant one-time expenditures in key areas such as amending and reconciling the new city's charters⁴, municipal laws and ordinances, general plan, financial, procurement and human resource policies and procedures, information technology systems, employee benefits systems, capital project priorities and management, street signs and public building usage, signage and others. Staffing patterns and management and supervisory spans of controls would have to be reconciled to ensure that service levels are not lowered.
- The report states that it presents potential constraints to consolidation. But the only constraint discussed is that employees would have different salary and benefits packages. The other constraints of consolidation, such as the issues identified in the previous bullet point, are not discussed in the report. As another example, there is no discussion of how the varying utility user tax rates in the two cities and the absence of such a tax in RCSD would be handled and the fiscal impact of a change in the tax.
- Service levels are not the same in the three jurisdictions and the County now so decisions would have to be made about which service levels would be utilized in the newly consolidated city. To the extent that the higher service levels are adopted, additional costs are likely to be incurred to bring the other jurisdictions up to the higher service level.
- No new ongoing costs are presented in the Case Study report though they are likely since salary and benefits costs would have to be made consistent (and would likely be set at the highest existing levels) and some staff enhancements would be needed to maintain or improve service levels for the new larger city. For example, the City of Seal Beach is the only jurisdiction of the three that operates its own detention facility and water and sewer utilities. Staffing of these functions is now based on a city the size of Seal Beach. Costs would be incurred in these and other operations to account for the increased population to be served at the same level as Seal Beach residents are currently served.
- Part-time positions were not included in the Case Study analysis which results in an incomplete picture of current staffing levels and leaves out an important aspect of the implied efficiency assessments and recommended position deletions. Part-time positions accounted for 46.3 of the two cities' 205.3 budgeted full-time equivalent positions in FY 2010-11⁵, or 23 percent of the workforce.

⁴ Both Seal Beach and Los Alamitos are charter cities with their own separate charters.

⁵ Data from two cities' FY 2011-12 budgets, showing FY 2010-11 staffing detail.

Cost Reduction Detail

A brief discussion of each component of position and cost reductions contained in the Case Study is presented below. Table 4 presents a summary of the reductions, by jurisdiction and department/function. Total cost reductions assumed in the Case Study amount to approximately \$2.2 million. However, not all of that amount is based on position reductions. As shown at the bottom of Table 4, reductions in City Council costs, City Attorney costs and RCSD Administration costs also contribute to the Case Study cost reductions but those reductions were not part of reductions in full-time positions.

Table 4: Case Study Position and Cost Reductions, by Jurisdiction

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
City Council \$	\$ 124,000	\$ 62,250	\$ -	\$ -	\$ 186,250	\$ 124,000	\$ (62,250)
City Council Postns	5	5	5		15	5	(10)
City Manager \$ (Clerk for LA)	854,800	558,230			1,413,030	906,903	(506,127)
City Manager Postns	4	3	2		9	5	(4)
City Clerk \$	349,400				349,400	394,569	45,169
City Clerk Postns	2	2	1		5	3	(2)
RCSD Administration \$			308,680		308,680	-	(308,680)
RCSD Admin. (no postns)							
Admin Svs. \$	3,161,200	1,339,510			4,500,710	4,205,303	(295,407)
Admin Svs Positions	7	3	1		11	8	(3)
City Attorney \$	365,000	155,000			520,000	424,650	(95,350)
City Attorney (no postns)					-		
Public Safety \$	9,933,900	4,941,393		1,235,500	16,110,793	15,614,832	(495,961)
Public Safety Postns	51	27		6	84	81	(3)
Commty Dvlpt \$	846,700	561,258		225,500	1,633,458	1,525,523	(107,935)
Commty Dvlpt. Postns	3	4		1	8	7	(1)
Public Works/Engineering \$	3,437,500	1,498,261	694,065		5,629,826	5,453,195	(176,631)
Public Works/Engineering Postns	23	12	-	-	35	34	(1)
Communitiy Services \$	1,108,000	1,129,568	98,800		2,336,368	2,160,365	(176,003)
Communitiy Svs Postns	2	5	2		9	7	(2)
TOTAL Positions	92	56	6	7	161	145	(16)
Subtotal Budget	\$ 20,180,500	\$ 10,245,470	\$ 1,101,545	\$ 1,461,000	\$ 32,988,515	\$ 30,809,340	\$ (2,179,175)
Fire	\$ 5,106,900				\$ 5,106,900		
Transfers Out	\$ 1,834,000	\$ 229,025			\$ 2,063,025		
TOTAL BUDGET	\$ 27,121,400	\$ 10,474,495	\$ 1,101,545	\$ 1,461,000	40,158,440		
TOTAL REVENUES	\$ 27,277,800	\$ 10,407,495	\$ 1,221,700	\$ 1,337,000	\$ 40,243,995	\$ 40,735,720	\$ 491,725
Net	\$ 156,400	\$ (67,000)	\$ 120,155	\$ (124,000)	\$ 85,555	\$ 40,735,720	\$ 491,725
<i>Reconcile Salary and Benefits REDuction Reported in Case Study</i>							
Less Administartion Costs							\$ (308,680)
Less City Council Costs							\$ (62,250)
Less City Attorney Costs							\$ (95,350)
Net Reported Salary and Benefits							\$ 1,712,895

Source: Case Study

City Council

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
City Council \$	124,000	62,250	-	-	186,250	124,000	(62,250)
City Council Postns	5	5	5		15	5	(10)

Source: Case Study

The Case Study assumes only one five-member City Council would be needed in the consolidated city and deletes all of the budgeted personnel and non-personnel expenditures for the Los Alamitos City Council and the RCSD Board of Directors. This approach does not allow for any increases in non-personnel costs, such as office supplies, printing and postage, that would likely be incurred for the City Council that would now be representing a substantially larger jurisdiction.

City Manager/City Clerk

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
City Manager \$ (Clerk for LA)	854,800	558,230			1,413,030	906,903	(506,127)
City Manager Postns	4	3	2		9	5	(4)
City Clerk \$	349,400				349,400	394,569	45,169
City Clerk Postns	2	2	1		5	3	(2)
City Manager/City Clerk \$	1,204,200	558,230	-	-	1,762,430	1,301,472	(460,958)
City Manager/City Clerk Postns	6	5	3	-	14	8	(6)

Source: Case Study

The Case Study proposes not only eliminating two of the three City Managers from the three jurisdictions⁶ and one of the two City Clerks in the two cities⁷ but also removes three of the five staff positions currently allocated to the Los Alamitos and RCSD City Manager and City Clerk offices. The basis for these staff deletions is not presented, but the net effect would be a decrease in the number of support positions for each manager. If the Case Study author has information about potential efficiency improvements in these offices that allows for deletion of the support positions, it is not presented in the report.

As with the City Council reductions, the Case Study does not allow for the fact that, with a larger jurisdiction, the City Manager and City Clerk will have increased responsibilities and workload and a similar, or larger, staffing level may be warranted to support their work.

Though the Case Study assumes that two positions would be deleted from the City Clerk functions, the amount budgeted for the consolidated city increases by \$45,169 from \$349,400 to \$394,569 in Appendix Table 1. No explanation is given for this increase though when combined with the decrease in aggregate City Manager costs of \$506,127, the net reduction is \$460,958, which accounts for all position deletions.

⁶ One is technically not a City Manager but the contract General Manager at RCSD.

⁷ RCSD does not have a City Clerk as is required of municipalities by State law.

Administrative Services

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
RCSD Administration \$			308,680		308,680	-	(308,680)
RCSD Admin. (no postns)							
Admin Svs. \$	3,161,200	1,339,510			4,500,710	4,205,303	(295,407)
Admin Svs Positions	7	3	1		11	8	(3)

Source: Case Study

The Administrative Services departments and functions in all three jurisdictions provide financial management and accounting services. The two cities' administrative services departments are also responsible for information technology and risk management. At RCSD, administrative service costs also cover contract legal and financial audit services.

The Case Study proposes deletion of the redundant department heads, but also elimination of two of the current nine finance staff positions: a Finance Manager from Los Alamitos and the Accountant position at RCSD. This would leave seven finance staff positions in the new city, a reduction of 22 percent from the current nine finance positions in the three jurisdictions.

There is no explanation for the deletion of these positions in the Case Study and it is not clear why and how the proposed reductions were determined and whether the remaining staff has the capacity to take on the additional workload. With the consolidated city's revenue budget projected to grow by 33 percent, from \$46 million at Seal Beach, the largest city, to \$61.4 million for the consolidated city, the resulting increase in accounts payable/accounts receivable activity and more complex budget and financial audit requirements with the addition of new assessment districts, revenue sources and bonded indebtedness, the argument could be made that existing staffing levels should be maintained. Unless the Case Study authors had information about inefficiencies in the existing offices, which is not reported in the Case Study document, it appears that at least the same, or possibly additional, finance staff would be needed for the consolidated city and that the proposed staff and cost reductions in this area are overstated.

City Attorney

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
City Attorney \$	365,000	155,000			520,000	424,650	(95,350)
City Attorney (no postns)					-		

Source: Case Study

Legal services are contracted in the three jurisdictions so there are no assumed position deletions for this function. However, the Case Study does assume that costs for these services would be reduced by the consolidated city from \$520,000 now budgeted for these services to \$424,650, or a reduction of \$95,350. This does not include RCSD's \$36,000 in budgeted legal services costs for FY 2010-11, which are deleted in their entirety in the Case Study. If this amount is included, the total reduction would be \$131,350, from \$556,000 to \$424,650, or a reduction of 23.6 percent.

No explanation is provided in the Case Study report regarding the rationale for the reduction in contract legal services. Though it may be that some senior legal staff costs could be reduced for the consolidated city, the reasonableness of a 23.6 percent reduction cannot be assessed without more detail on current costs and an explanation of the basis for the assumed reduction.

Public Safety Services

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
Public Safety \$	9,933,900	4,941,393		1,235,500	16,110,793	15,614,832	(495,961)
Public Safety Postns	51	27		6	84	81	(3)

Source: Case Study

The Case Study assumes that consolidation of the three jurisdictions would reduce law enforcement costs by \$495,961. The savings would be achieved through:

- Elimination of one of two police chiefs from the two incorporated cities
- Elimination of one of two Captain positions now in the two incorporated cities' police department budgets, leaving one Captain for the new consolidated city police department.
- Eliminating 0.5 Sergeant positions now provided to RCSD by the Orange County Sheriff's Department
- Elimination of .5 Community Services Officer now provided to Rossmoor CSD by the Orange County Sheriff's Department

These changes would have the following impacts on the management structure of the consolidated department:

- The remaining Captain would now be responsible for 71 sworn staff positions. This represents an increase of 97 percent in the number of staff reports for the remaining Captain compared to the current ratio of one Captain for every 36 sworn staff positions in the two cities.
- Manager spans of control would increase from the current 12.5 staff positions per manager among the three jurisdictions to 18.5 positions per manager in the consolidated city, an increase of 48 percent.

While the proposed staffing does not reduce the number of positions allocated to Seal Beach's detention facility, it does not allow for additional positions for that function to serve the population of the larger consolidated city. The number of Police Department positions allocated to the detention facility relative to the municipal population would thus decrease from 4.1 positions for every 10,000 residents to 2.2 positions for every 10,000 residents, a decrease of 43 percent.

Community Development

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
Commty Dvlpt \$	846,700	561,258		225,500	1,633,458	1,525,523	(107,935)
Commty Dvlpt. Postns	3	4		1	8	7	(1)

Source: Case Study

The Community Development departments in the two cities are responsible for planning, building and safety and code enforcement functions. The County provides planning and code enforcement services to the Rossmoor CSD. The Case Study recommends deletion of one of the two City Community Development department heads, apparent reductions in planning staff and, unlike all other departments reviewed, an increase in code enforcement officers. The decrease in planning staff and the increase in code enforcement officers nets out to no change in the total number of those positions though, again, the report does not contain any information about why fewer planning staff positions and more code enforcement officers would be needed. Further, it is difficult to believe that these changes in staffing would not affect service levels, in contradiction of the stated purpose of the Case Study. The proposed reallocation of staff positions would be more appropriate as a policy change made by the governing board of the new consolidated city than in the Case Study.

Public Works/Engineering

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
Public Works/Engineering \$	3,437,500	1,498,261	694,065		5,629,826	5,453,195	(176,631)
Public Works/Engineering Post	23	12	-	-	35	34	(1)

Source: Case Study

The only change in the Public Works/Engineering function would be deletion of one of the two city department heads. There are 35 full-time positions in the two city departments at present, including maintenance workers, engineers, utility operators (in Seal Beach, for its water and sewer utilities), and administrative and support staff. As discussed above, this is the only function for which the Case Study does not assume that other positions would be deleted through the consolidation. The report does not explain the absence of such deletions.

Community Services (parks and recreation)

	Seal Beach	Los Alamitos	RCSD	OC-RCSD	Total	Case Study	Change
Communtiy Services \$	1,108,000	1,129,568	98,800		2,336,368	2,160,365	(176,003)
Communtiy Svs Postns	2	5	2		9	7	(2)

Source: Case Study

The Case Study assumes that one of the two city director positions and the one Recreation Superintendent from RCSD would be deleted. The Case Study also deletes \$16,000 worth of part-time RCSD recreation positions, contrary to the statement in the report that service levels would not be reduced through position deletions and that “direct service delivery level staffing, and all part-time staffing would generally remain

unaffected.”⁸ There is no explanation in the report about why these part-time recreation workers would no longer be needed in the consolidated city.

⁸ Page 9, “Staffing Analysis”