

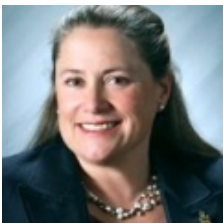
Opinion: Setting priorities will keep Placer County afloat

By Jennifer Montgomery

All of us at Placer County can see better days ahead now that the worst of the economic slowdown is behind us.

We understand, though, the road to recovery will not be easy, and we will continue to struggle to find solutions as new, complex challenges present themselves along the way.

That is why the Board of Supervisors and county staff are working on an innovative, long-term plan to determine where Placer County should head over the next five years and how best to get there. Without identifying a target, how can you know what you are aiming for?



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The board has several overriding goals.

Costs must be kept under control to preserve the County's fiscal health. That goal is vital because County revenue is beginning to rebound from recession-era lows, but not fast enough to keep pace with expected cost increases.

Priorities must be set, so that we use the county's limited resources to meet the most important public safety and service

needs.

The board must make sure its policy goals are met to place the County in a position to deal effectively and decisively with the next economic downturn.

The task is daunting, but we already are making good progress.

One of the board's first priorities was finding someone to oversee the effort as county executive officer. Our recruitment efforts led us to new CEO David Boesch, who has just the kind of background and expertise we were looking for.

One of Boesch's first tasks was to help oversee development of a critical piece of the puzzle: a five-year budget strategy for keeping revenue and costs in balance. Placer County already is making headway in achieving two of the strategy's goals: reducing the use of one-time revenues to fund ongoing operations and bolstering our depleted reserve funds now that county revenue is beginning to recover.

Another important piece of the puzzle is an innovative, all-inclusive and overdue effort to identify needed infrastructure projects and to fund critical construction and maintenance projects.

Placer County has individual infrastructure plans in place for several types of projects, including facilities, public works, information technology, and fire facilities and equipment.

The new comprehensive funding plan will consider those types of projects, plus others such as open space, sewer and solid waste facilities, and the utilities needed to support county services.

On July 10, the board approved proceeding with the funding plan, authorizing Boesch to set up a county Infrastructure Investment Committee to develop criteria for use in drafting the plan.

The plan is critical because Placer County had no choice but to reduce funding for infrastructure projects during the recession years. Now, it is time for us to make infrastructure investments a higher priority again – not a top priority, but a higher priority.

The funding plan will include a focus on infrastructure projects that will help the construction industry get moving again and generate jobs. Areas of particular interest for our economic development efforts include the Sunset Industrial Area between Rocklin, Roseville and Lincoln and the Placer County Government Center in North Auburn, a complex commonly known as the DeWitt Center.

Placer County's efforts to increase cost sharing with employees are another critical part of the drive to keep revenue and costs in balance. Employees now pick up larger shares of their pension and health insurance costs than they used to, and new hires receive fewer benefits under a two-tier system that will help the county make sure benefit costs are sustainable long term.

Placer County also is making progress in reducing its unfunded liability for medical, dental, vision and other benefits that generally are known as other post-employment benefits, or OPEB.

Under a plan approved by the board in 2006, the county placed \$25 million in an interest-earning trust account over three budget cycles. It sets aside funds when new employees are hired to cover part of their projected OPEB costs and has helped reduce the unfunded liability through increased cost sharing with employees for health insurance. The County also joined the California Employer's Retiree Benefit Trust Fund operated by CalPERS, obtaining higher investment earnings than it could get on its own.

The county is having success in another important area: trying

new, innovative approaches to provide public services that are both cost-effective and high-quality. Health and Human Services is leading the way, using an entrepreneurial approach that maximizes the use of federal and state funding and contracts with private-sector partners to provide client services in many cases.

Placer County also is gearing up for another effort that will be critical in the coming years: succession planning. Many of our employees at all levels are at or nearing retirement, and the County needs to make sure our bench is deep enough for the change that is inevitable.

We are at a very important point in local government. Due to declining revenues and a shrinking employee base, we are not as capable as we once were in some areas. Looking forward, we have a chance to reorient priorities to meet changed public service needs. Public involvement will be critical and I ask for your help in moving our county forward.

Last but not least, my sincere thanks to everyone who chooses to participate in ensuring your local county government is as responsive and nimble as possible in the coming years.

Jennifer Montgomery is chairwoman of the Placer County Board of Supervisors.