

# Opinion: EDC supes not balancing budget

By Larry Weitzman

Public Safety is the primary function of county governments. Before the expansion of governments 60 to 70 years ago, the sheriff's department was the majority of county spending. Currently in El Dorado County, the sheriff's department is about 20 percent of general fund spending. Other departments directly related to public safety are District Attorney, Public Defender and Probation, which is perhaps the least heralded but the most important public safety department.

It is a probation officer (with at least a bachelor's degree) who makes the sentencing recommendations of people convicted of crimes, which judges usually follow. A big responsibility. Their combined (DA, PD and Probation) general fund budgets are about 10 percent of the general fund budget.



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With our current general fund budget out pacing revenues by about \$20 million a year and growing, one would think the Board of Supervisors would look to find the cause and cure the problem by ridding EDC of these deficits which for the past two years are approaching \$40 million combined. That would require a budget analysis to determine the cause. The county has burned through about \$40 million of surpluses in the last two years. If spending were to continue at that rate, EDC

would be out of money before the end of this calendar year. In the years before the deficits the county was running surpluses and had no debt.

What changed in general fund spending? It's pretty simple. For four continuous years ending June 30, 2013, general fund salaries and benefits remained at a constant of approximately \$118 million annually. In the following two years, salaries and benefits ballooned by \$38 million. Do you see any correlation between overspending and salaries? One other area of over spending appears to be excessive consulting contracts amounting to millions of dollars a year. If the county has such productive and knowledgeable employees, why the need for so many consultants? Especially the use of consultants to shield the county employees from direct questions from the public in outreach events.

Not only did the prior CAO, Terri Daly, hire dozens of people to fill new or long vacated general fund employee positions (possibly a 100 or more) in the last couple of years prior to her departure in November, it was admitted by the administration that county service levels remain about the same. In addition to the hiring, Daly recommended and the BOS agreed to a 15 percent raise, 10 percent which is currently in effect and 5 percent more to come shortly. It was confirmed recently that the union was asking for less, some sources say 40 percent less. The budget is out of balance almost exclusively because of the hiring and raises given and/or recommended by Daly that the county couldn't afford.

It is interesting to note that of all the new hires since June 30, 2013, Probation has grown zero, the Sheriff's by two, the PD by five and the DA by minus two, while the CAO office grew by 10 and perhaps a bit more. Daly did a county reorganization adding a total of 57 employees under the CAO umbrella, while the CDA lost a net of 30 employees although from the data after 33 employees were put under the CAO's umbrella from the CDA, the CDA appears to have still grown by four employees.

While this is a bit confusing, the point is that the vast majority of the county employee growth is in administration, not in public safety.

Instead of solving the problem by reducing county staffing levels with an appropriate analysis of the recent county hiring, the BOS has taken the easy way out, cut each department by 6.25 percent. At the Feb. 24 BOS meeting that lasted until well past 9pm, Supervisor Shiva Frentzen wanted an analysis by the CAO's office of the recent hiring. Although Supervisors Sue Novasel and Doug Veerkamp paid some lip service to the Frentzen proposal, the Frentzen motion didn't get a second and no vote was taken by the BOS for such a proposal. It never saw the light of day. The result was that the BOS voted for an across the board 6.25 percent budget reduction which appeared to the BOS as the most palatable proposal brought to the BOS by the CAO.

Perhaps partial responsibility rests with the CAO in that she didn't even suggest such a targeted, priority based budget proposal even though she was advised well before the BOS meeting of such an idea. Her ideas were a series of across the board cuts ranging from 13.5 percent, 10 percent and 6.25 percent. About five months ago EDC formed an ad hoc budget committee to analyze and make recommendations to the BOS on how to deal with the projected \$100 million plus five-year budget deficit that would actually be about \$150 million when you add in the spending of \$50 million in savings.

While at these meetings I kept hammering the idea that the cause of the deficit was the prior CAO's excessive recent hires and the first, smartest and fairest place to cut should be an elimination of some of the new hiring. The committee decided to spend most of its time in the half a dozen or so meetings on priority budgeting. Our Current CAO along with Supervisors Veerkamp and Frentzen led the meetings.

CAO Pam Knorr wrote on a chalkboard a list of priorities and

there was no question in the room that public safety was No. 1. I even took a photograph of the chalkboard. What a waste of time as the result of the hours and hours of study, discussion and agreement meant nothing as the eventual CAO recommendations to the BOS was an across the board, blanket percentage cut. So much for priority budgeting. A fifth-grader learning fractions and percentages could have done this across the board cut. It is the least effective and worst possible solution to solve the budget problem, as the disease has not been excised. A second priority of cutting suggested at the ad hoc meetings was the elimination of EDC deadwood, or those employees who spend time at the county to accomplish as little as possible but for taking home a paycheck. No one cared.

The public should know that the vote to accept the county budget back in September was 3-2 with Ron Mikulaco and Frentzen voting no and Ron Briggs, Norma Santiago and Veerkamp voting yes. As to the across the board cut direction given to the CAO, while Frentzen wanted an analysis of new hires that the BOS paid lip service to, they did reject it, with an across the board direction to the CAO of a 6.25 percent cut with only one board member voting no, Mikulaco. Without a change in leadership as reflected here, the problems within the county are likely to continue.

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