

EDC supervisors say no to extra road dollars

By Kathryn Reed

El Dorado County roads won't be getting any extra money this summer based on a 3-2 vote last month.

The Board of Supervisors agenda item read: "Chief Administrative Office recommending the Board receive and file the Fiscal Year 2015/16 Mid-Year report and provide any direction related to the Fiscal Year 2016/17 budget."

And while the board tried to give direction about roads, acting CAO Larry Combs said, "I would not recommend your board giving me that direction." He said this after admitting to not having reviewed the budget and needing more than \$50 million for the new sheriff's building in Placerville.

(Combs works part time and lives in Auburn.)

Ultimately, the majority of the board agreed with him.

The minutes from Feb. 23 read: "A motion was made by Supervisor [Shiva] Frentzen, seconded by Supervisor [Ron] Mikulaco to direct staff to: 1) Provide the Board with a 5-year budget projection; and 2) Provide the Road Fund with 2 million dollars from the General Fund. Motion Failed. Yes: 2 – Mikulaco and Frentzen Noes: 3 – [Brian] Veerkamp, [Michael] Ranalli and [Sue] Novasel Received and Filed – No Formal Action Taken."

Back in September, Combs got the board to agree to only use road fund money for streets starting with the 2016-17 budget and not supplement it with General Fund dollars as had been the practice of the last 15 years. He gave no reason why. This fiscal year \$500,000 is coming from the General Fund for

roads. Black Bart on the outskirts of South Lake Tahoe is one road slated for improvements.

Lack of road funding in favor of staff salaries is one of the reasons all five electeds are being recalled. While the discussion at the meeting sounded like most of the supervisors were in favor of increased road funding, that did not occur.

Novasel told her colleagues the roads are particularly bad in Tahoe this year with winter having returned. Pot holes are so large it's like being on an obstacle course in some locations.

Novasel told *Lake Tahoe News* that while she supports funding for roads, that without a clear strategic plan and five-year budget forecast she doesn't believe taking money out of the General Fund without knowing the consequences is the correct thing to do. She said she wanted to be able to look at the big picture and not piecemeal the budget together.

With that said, though, it is the electeds' responsibility to set policy and give direction to the CAO – not the other way around. However, as a rule this board takes direction instead of gives it.

In the county's midyear budget report it states that the road budget is starting off with \$8.7 million less than expected, in large part because the state pass throughs were less than predicted. Road maintenance money in large part comes from the state in the form of gas tax sales. With vehicles being more efficient, that revenue source has been declining for years. Other state and local revenue streams make up the road maintenance fund.

Laura Schwartz with the chief administrator's office said the budget is structurally balanced for the next three years – which legally it must be. Still, the county does not do long-term forecasting. The fiscal year starts July 1, though final numbers for that year are not solidified until October after the state has allocated its funding.

The county is projecting property taxes to grow by 4 percent per year. This last year it was just more than 5 percent.

Sales tax projections have been reduced to 2 percent growth to compensate for the reduction in what is collected from gas sales based on price of fuel going down.

Schwartz said, "There will be no new programs or staff without an outside funding source." Even so, salaries and benefits are expected to increase 4 percent.

There will be a budget workshop in June. The document is usually released near Memorial Day.