

Opinion: Not all EDC candidates are equal

By Larry Weitzman

Our form of government would work much better if the people in it were not so self-serving. Most politicians (and bureaucrats) fall into this category, thinking or saying anything to get elected, whether factual or not. That is the case with two of the candidates on the current ballot, Mike Owen and Norma Santiago, who have made statements that are absolute poppy-cock.

It was April 30, at the weekly morning meeting of the Taxpayers Association of El Dorado County. Maybe 7:30am was too early for one of the candidates both of whom were CPAs running for the El Dorado County elected position of auditor-controller. One candidate was the current auditor-controller, Joe Harn, who first won election in 1994 and the other candidate was Mike Owen.



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While I am not a CPA, I did earn a degree in accounting from the UCLA School of Business and during undergraduate and graduate school worked as a “junior” accountant for several CPAs and know their “psyche.” All the CPAs I knew were always accurate and precise when talking about numbers. In obtaining financial information from the current auditor for many of my columns, Harn’s information was always extremely precise and

accurate.

It was midway into their opening statements when Owen made my jaw drop when he started becoming fast and loose with El Dorado County numbers (like I wrote above, maybe it was too early for Owen). Owen said that there was about a \$250 million General Fund budget for our county government. Actually, the General Fund portion is a bit more, but close enough for government work. But according to our competent CAO the discretionary part is only about \$150 million. Then Owen said by paying vendor bills early (and taking early pay discounts or negotiating vendors bills down with early payment) he could save the county 10 percent with those discounts or about \$25 million annually. If accounting was plumbing, it would be called a "pipe dream."

Taking discounts for early pay in some cases could add up to 10 percent or more on an annualized basis. But many if not almost all vendors don't offer terms like that as it is an expensive form of financing and competition has reduced profit margins. On top of that, many of county purchases are made with credit cards. But that's not the real rub here.

Anyone running for office should know something about the "County Fisc," especially a CPA or someone running for a countywide financial position. It's obvious Owen knows next to nothing, CPA credential or not. Of our \$250 million plus county General Fund budget, about \$150 million as above is discretionary and of that about \$100 million is salary and benefits. No employee in the county is giving any discount on their paychecks. That means the discretionary, non-salary and benefits portion is about \$50 million. If anyone could get early pay discounts on even half of that number it would amount to a \$2.5 million savings, not \$25 million as Owen claimed. But that wouldn't be possible either.

In this era of cheap interest rates, discounts are unlikely as contracts are done by bidding or by request for proposals

(RFPs) and are negotiated before services and products are purchased. On top of that many county purchases are made through "buying groups" that get large, pre-negotiated discounts. There are no significant or substantial early pay discounts available, leaving the amount of early discount payables possible as negligible, effectively zip, zero, nada.

Owen has claimed that the county doesn't pay its bills on time of which he has produced no evidence of any such occurrence. However, recent El Dorado County filings on Owen's alleged "successful" businesses of Crystal Basin Cellars showed two of several unpaid property tax bills as demonstrated by the filing of two certificate of lien for unsecured property tax. Why the tax liens? Maybe Owen doesn't pay his bills on time. Maybe his businesses are not so "successful." Owen has even been penalized for late campaign filing requirements. Why? He didn't pay these bills on time, too? Even Owen's CPA license was delinquent for non-payment of licensing fees during which time it was unlawful to identify himself as a CPA, which Owen did notwithstanding him not having a valid license. As to the claim of Crystal Basin Cellars and businesses being successful, Owen, who is a partner, should produce the financial records, but that might prove embarrassing. Maybe Owen needs this "job."

Owen has some other ethical dings such as being fined at least \$600 by the Fair Political Practices Commission.

Santiago has other issues the first being her statement saying Don Ashton is doing a great job (he is) and that "Terry Daly also performed well." Though Daly was accused of costing the county a lot of money, Santiago defended her, highlighting Daly's belief in "investing wisely while remaining fiscally conservative." There is an oxymoron. Daly gave away the county store in her 15 percent countywide pay raise recommendation which the Board of Supervisors blindly followed (Santiago voted for it). It has already cost the county upwards of \$100 million when you factor in pension benefits.

Her love of Daly may also extend to the fact that Daly, in violation of her severance agreement, wrote a written declaration with the Superior Court saying Santiago was entitled to back pay in Santiago's and ex-supervisor Ron Briggs lawsuit against the county for back pay. Any second-year law student could have told her that her suit was without merit and barred by the language of the California Constitution. I wrote at least two columns with respect to the lawsuit and explaining why the suit was without merit. As to the other candidates running for District 5, I have no opinion as your choices are slim, maybe a write-in might be a better choice.

Larry Weitzman is a resident of Rescue.