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Official: Business can't be as usual

El Dorado County faces shortfalls in fiscal years 2004-05, 2005-06.

By Cathy Locke -- Bee Staff Writer - (*Published June 29, 2003*)

El Dorado County will begin the fiscal year Tuesday with a preliminary \$273 million budget that generally avoids layoffs and maintains essential levels of public safety and social services.

But Laura Gill, interim county chief administrative officer, concluded her review of the 2003-04 preliminary budget last week with a warning: "We can't continue to conduct business as usual."

If growth in revenue and appropriations continues as in the past, the county will face a projected \$6.3 million shortfall for fiscal year 2004-05 and a projected \$11.1 million shortfall for 2005-06, she told the Board of Supervisors.

After the state approves its budget, the final 2003-04 county budget must be adopted by Oct. 2. Gill said she plans to prepare a two-year budget proposal by Dec. 1 to avert the shortfalls projected through 2006.

Although the 2003-04 budget shows a net loss of only 2.3 employee positions, it also includes 55 unfunded positions. Most of these positions either are vacant or will be vacated through employee retirements, Gill said.

Some departments will add personnel, but most of the increases will occur in the Building, Transportation and Environmental Management departments, which are funded largely by fees.

The total budget figure is up \$17.3 million, or 6.8 percent, over last year, while the general fund budget, which covers most of the county's day-to-day operations, totals \$156.9 million, an increase of 0.26 percent over the final 2002-03 budget.

The proposed budget also calls for a \$3.07 million -- or 2 percent -- general fund contingency. But based on the county's use of contingency funds over the past six years, Gill said, the figure probably could be reduced to 1.5 percent of general fund appropriations, or \$2.35 million.

The total budget figure reflects a \$9.1 million increase in the cost of employee benefits. This includes a \$5.5 million increase in the county's contribution to the California Public Employees' Retirement System, \$1.3 million more for employee health insurance and \$2.3 million for the retiree health insurance plan.

Employee salaries and benefits account for 61 percent of the general fund budget.

In terms of revenue, the county is preparing for adjustments that will be required if the state vehicle license fee rises to pre-1998 levels. This would trigger the provisions of Measure H, an initiative approved by county voters in November 2000 that requires the county to spend 50 percent of the vehicle license fees it receives on road repair and improvements.

The budget calls for a significant reduction in general fund revenues allocated for parks. Historically,

between \$550,000 and \$600,000 has been designated for parks through the capital improvement program. The figure has been reduced to \$150,000 for 2003-04.

Carry-over funds and state grant money, however, will allow the county to undertake the first phase of construction for Bass Lake Park in the fall and conclude planning and environmental work for Pollock Pines Park.

The preliminary budget initially called for reducing hours of operation at the Main Library in Placerville and at the Cameron Park branch library, but Gill said last week that funding had been restored to maintain current hours at both libraries.

John Litwinovich, director of community services, said that although his department will have to curtail some some services that will be maintained. The senior nutrition program will continue to operate, as will programs aimed a preventing elder abuse and neglect.

One cut that will be difficult, Litwinovich said, is the loss of funding for the Senior Times newsletter, which the department has published for two decades.

"We will do the best we can to maintain services," he said.

Under county policy, Gill said, no new positions will be filled until the final budget is adopted.

Hearings on the final budget are scheduled for the week of Sept. 15.

About the Writer

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