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## County set to consider further cuts

### Supervisors tell staff to identify targets in next year's budget.

**By Cathy Locke -- Bee Staff Writer - (*Published December 7, 2003*)**

After cutting almost \$4 million in general fund spending this year, El Dorado County officials will wield the cleaver again to eliminate an \$8.56 million deficit projected for next year's budget.

And that may be just the beginning.

In a presentation Tuesday to the Board of Supervisors, Chief Administrative Officer Laura Gill acknowledged her five-year budget forecast rests on a best-case financial scenario.

Supervisors directed her to prepare for the worst. Despite dire warnings, the board has failed to make drastic budget cuts in the past two years and can delay no longer, Chairwoman Helen Baumann said.

"I think we have the worst-case scenario going forward," she said. "If we're not prepared, it just makes that process that much more painful. It's irresponsible of us to continue to shy away from that."

Gill did not identify specific service cuts for next year. Staff is expected to propose reductions for 2004-05 at a workshop Jan. 26.

Two months ago, El Dorado County cut \$3.6 million in general fund spending for the current fiscal year, which began July 1. The reductions were made in programs across the board.

Many of the county's budget woes are caused by the state's fiscal crisis, said Auditor-Controller Joe Harn. But the longer supervisors wait to cut spending, he said, the more responsibility they bear for the county's financial predicament.

If the county continues to operate as it has, Gill's five-year forecast projects deficits ranging from \$5.9 million in 2007-08 to \$9.1 million in 2005-06.

The county faces a combination of rising costs -- particularly for employee health insurance and retirement benefits -- and the loss of state funds.

In 1999 and 2000, Harn said, supervisors increased the county's obligation to employees for retirement benefits by more than \$60 million. In 2002, he said, the California Public Employees Retirement System said the county again would have to increase its contributions dramatically.

Only two supervisors -- Baumann and Rusty Dupray -- on the five-member board voted to prepare for the higher costs by cutting spending last year, Harn said. Meanwhile, updated projections indicate the county will have to contribute more than expected to the retirement system next year.

On the revenue side, Gill said the budget forecast assumes the county will continue to receive an estimated \$7.2 million from the state to make up for the recent cut in vehicle license fees -- but that funding is not assured.

Half of the sum is earmarked for the county's road fund, while the other half goes into the general

fund, which is the county's principal spending account. If the state does not restore the VLF money, Gill said, the projected general fund deficit for 2004-05 would increase to \$12.2 million.

Gill also said the budget forecast did not include costs for implementing a new general plan because the figures were not available. But Supervisor Jack Sweeney said the general plan costs should not be overlooked, adding that he heard estimates of \$2.5 million for planning and transportation services that would not be offset by fees.

Gill said she would have a better idea in January about state funding cuts, which likely would occur in social services. The key question, she said, is whether the state would eliminate mandates that require the county to provide the affected programs or require the county to come up with money to fill the gap.

Heidi Weiland, executive director of the El Dorado County Employees Association, urged the board to form a labor-management team to study budget cuts, saying the employees group wanted to be part of the solution.

"You need to involve employees from the top to the bottom," she said.

Sam Koch, shop steward for the employees association, urged the board to look at opportunities to increase county revenues.

He also suggested the county drop its lawsuits to block an Indian casino in Shingle Springs and instead negotiate with the Single Springs Band of Miwok Indians for funds to compensate for a casino's impact on the county.

"It's a business opportunity," Koch said.

Don Hartley, an El Dorado Hills resident and real estate agent, recommended that the county consider selling unused buildings or land.

Gill said that although staff members are focusing on spending cuts in the 2004-05 budget, "anything we can cut this fiscal year helps us next year.

"Everything we do needs to be fast-tracked," she added.

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#### About the Writer

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