



# *The County of El Dorado*

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## *Chief Administrative Office*

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Gayle Erbe-Hamlin  
Chief Administrative Officer

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October 18, 2010

TO: Board of Supervisors  
FROM: Gayle Erbe-Hamlin  
RE: CAO Recommendation for 2011-2012 Budget Reductions

The Budget Update for October 19, 2010 is to outline for the Board our efforts to reduce the 2011-2012 County appropriations by approximately \$11 million to achieve a balanced budget for next year. My office is proposing a two-stage approach by asking the Board for action NOW on \$5.5 million in reductions, then returning in early 2011 to tackle the remaining projected deficit.

Next year's budget still has a few big issues that will impact the deficit, including labor negotiations, this year's operations, and the economy. While we realize that the projected \$11 million will change due to these issues – especially the final results of ongoing labor negotiations – we believe that waiting to tackle the entire deficit will not provide adequate time to enact the required reductions. Thus, we are requesting that the Board take action now to deal with half of the projected deficit and deal with the remainder early next year after the mid-year budget review.

As we all know, \$5.5 million in sustainable reductions from our current general fund expenditures will require some very difficult decisions. The trade-offs are ugly.

In order to assist the community in understanding these very difficult decisions facing the Board, we are holding several public meetings to explain the current budget situation and what the trade-offs might be. We held meetings last week on the West Slope for employees and for the public. We plan another round of meetings in South Lake Tahoe next week. These meetings provide informational overviews of the budget.

Today I am presenting the CAO recommendation for the first stage of cuts, the first \$5.5 million. Over the next four weeks, the Board will have a series of special meetings designed to provide the information needed to understand the impact of these proposed cuts. These meetings, along with the meetings held during September, will allow the

Board to see the cuts in services that will be required to achieve the \$5.5 million reductions.

The CAO recommendation for the first \$5.5 million in reductions is shown on the attached worksheet. This worksheet is a snapshot of the tool that we will be using to address these very tough decisions. This first stage of reductions includes proposals for service cuts and other sustainable savings and NOT the use of one-time funds. As we have often said, this is a closed system: if the Board does not decide to make the recommended cuts, other cuts will have to be made.

This recommendation is a starting point for Board discussion. I recommend the Board utilize this recommendation during the next four weeks of scheduled special meetings. I recommend the Board consider the various options during these workshops and be prepared to make decisions on \$5.5 million in reductions on November 15<sup>th</sup>.

The schedule for meetings is:

Tuesday, Oct. 19, 2:00 pm:	IT/GIS/Sheriff's Office IT
Monday, Oct. 25, 9:00 am:	Animal Services
Monday, Nov. 1, 9:00 am:	Law & Justice
Wednesday, Nov. 3, 9:00 am:	Other
Monday, Nov. 8, 9:00 am:	General Gov't/Parks, Grounds, Cemeteries, Trails
Monday, Nov. 15:	Regular Board meeting; Budget decisions

The meeting on November 3<sup>rd</sup> is designed to allow time for departments impacted by these reductions that have not previously presented budget information to the Board and to answer outstanding questions of the Board.

This is the initial recommendation. The Board, of course, will want to consider all the options before making the final decisions.

I appreciate your understanding and cooperation during these very difficult times. None of us want to see these reductions, but, as you know, there are simply no other means of attaining a balanced budget next year.

Thank you for your support.

**CAO Reduction Plan for FY 2011-12  
Phase 1**

Reduction Goal by Jan. 1, 2011

**\$5,500,000**

**CAO Proposed Reductions**

Library Branch Subsidy	\$250,000
Sr. Nutrition Programs / Activities	\$400,000
Sr. Legal / Elder Protection Unit	\$215,000
Sr. Day Care	\$60,000
General Plan Implementation	\$200,000
Economic Development	\$130,000
General Fund Cont. to Road Fund	\$1,000,000
GIS	\$400,000
Parks Maintenance & Operation	\$100,000
Museum	\$50,000
UCCE	\$150,000
Grand Jury	\$64,000
Veteran Affairs	\$100,000
General Government Reductions (Net of ERI's)	\$757,342
<b>subtotal</b>	<b>\$3,876,342</b>
Law & Justice Reductions	\$1,623,658

**TOTAL  
Reductions \$5,500,000**

**CAO Proposal General Government by Department (Net of ERI's already taken)**

Department	Current NCC	\$ Reduction
BOS	\$1,358,374	\$135,837
CAO	\$1,897,021	\$189,702
Auditor-Controller	\$2,598,549	\$259,855
Treasurer/Tax Collector	\$1,069,653	\$31,965
County Counsel	\$2,047,578	\$102,379
Human Resources	\$752,069	\$37,603
<b>Total</b>	<b>\$9,723,244</b>	<b>\$757,342</b>

**CAO Proposal Law & Justice by Department (In addition to ERI's already taken)**

Department	Current NCC	\$ Reduction	% Reduction
Sheriff	\$41,338,965	\$1,132,489	2.7%
Probation	\$9,663,197	\$264,725	2.7%
District Attorney	\$5,550,463	\$152,056	2.7%
Public Defender	\$2,715,351	\$74,388	2.7%
<b>Total</b>	<b>\$59,267,976</b>	<b>\$1,623,658</b>	<b>2.74%</b>

Projected FY 2011-12 Shortfall

**\$11,000,000**

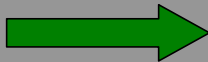
Reduction Goal by Jan. 1, 2011

**\$5,500,000**

Remaining FY 2011-12 Shortfall

**\$5,500,000**

Discretionary Program Reduction Options	
Library Branch Subsidy	\$250,000
Community Service Aging Programs	\$1,241,984
General Plan Implementation	\$600,000
Economic Development	\$180,000
Promotions	\$540,000
General Fund Cont. to Road Fund	\$1,500,000
GIS	\$800,000
Parks Maintenance & Operation	\$400,000
Museum	\$100,000
UCCE	\$300,000
Grand Jury	\$84,000
Veteran Affairs	\$316,145
STARS Program	\$133,000
<b>TOTAL</b>	<b>\$6,445,129</b>



CAO Proposed Reductions	
Library Branch Subsidy	\$250,000
Community Service Aging Programs	\$675,000
General Plan Implementation	\$200,000
Economic Development	\$130,000
Promotions	\$0
General Fund Cont. to Road Fund	\$1,000,000
GIS	\$400,000
Parks Maintenance & Operation	\$100,000
Museum	\$50,000
UCCE	\$150,000
Grand Jury	\$64,000
Veteran Affairs	\$100,000
STARS Program	\$0
General Government Reductions (Net of ERI's)	\$757,342
<b>subtotal</b>	<b>\$3,876,342</b>
Law & Justice Reductions	\$1,623,658
<b>TOTAL Reductions</b>	<b>\$5,500,000</b>

Remaining Options	
Library Branch Subsidy	\$0
Community Service Aging Programs	\$566,984
General Plan Implementation	\$400,000
Economic Development	\$50,000
Promotions	\$540,000
General Fund Cont. to Road Fund	\$500,000
GIS	\$400,000
Parks Maintenance & Operation	\$300,000
Museum	\$50,000
UCCE	\$150,000
Grand Jury	\$20,000
Veteran Affairs	\$216,145
STARS Program	\$133,000
<b>SUB-TOTAL</b>	<b>\$3,326,129</b>
Negotiations	??
Further Department Reductions	??
One Time Funds	
Capital Reserve	\$6,482,596
Animal Shelter	\$6,100,000
Downgrade Reserve/Contingency 1%	\$1,750,528
Retiree Health	\$1,300,000

Approximate Functional Group Position Summary			
Across-the-Board		CAO Proposal	
Law & Justice	36	Law & Justice	16
General Government	10	General Government	7
Land Use & Development	7	Land Use & Development	8.5
Health & Human Services	3	Health & Human Services	2
		Dept 15	13
<b>TOTAL</b>	<b>55</b>	<b>TOTAL</b>	<b>47</b>

CAO Proposal Law & Justice			
Department	Current NCC	\$ Reduction	% Reduction
Sheriff	\$41,338,965	\$1,132,489	2.7%
Probation	\$9,663,197	\$264,725	2.7%
District Attorney	\$5,550,463	\$152,056	2.7%
Public Defender	\$2,715,351	\$74,388	2.7%

This tool is a simplified version of many complex budget issues and is meant for illustrative purposes only.