

# El Dorado County Investment Plan

Limit Government.  
Enhance Services.

# Problem: Ongoing Shortfalls

- New Economic Era
  - Discretionary revenue will no longer keep pace with operating cost increases in foreseeable future

# Ongoing Shortfalls

## More Conservative Assumptions

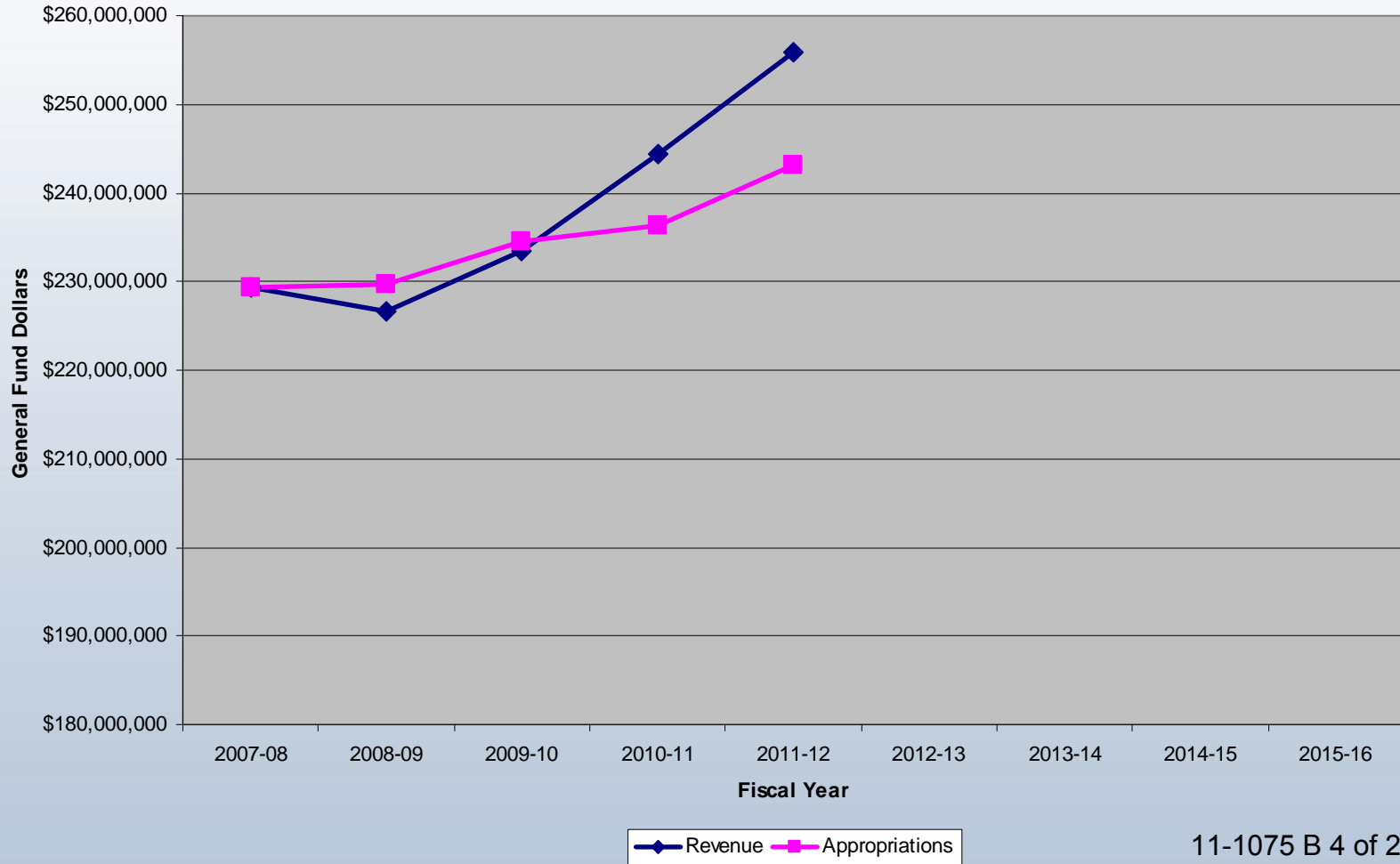
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
<b>Revenue</b>	\$ 204,350,380	\$ 193,853,190	\$ 195,901,723	\$ 197,970,441	\$ 200,161,732
<b>Appropriations</b>	\$ 204,350,380	\$ 202,481,347	\$ 209,665,535	\$ 217,059,999	\$ 224,723,536
<b>Suplus/(Shortfall)</b>	\$ -	\$ (8,628,157)	\$ (13,763,812)	\$ (19,089,558)	\$ (24,561,804)

## Less Conservative Assumptions

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
<b>Revenue</b>	\$ 204,350,380	\$ 195,853,190	\$ 197,901,723	\$ 199,970,441	\$ 202,161,732
<b>Appropriations</b>	\$ 204,350,380	\$ 201,119,998	\$ 206,695,065	\$ 212,445,009	\$ 218,414,690
<b>Suplus/(Shortfall)</b>	\$ -	\$ (5,266,808)	\$ (8,793,342)	\$ (12,474,568)	\$ (16,252,958)

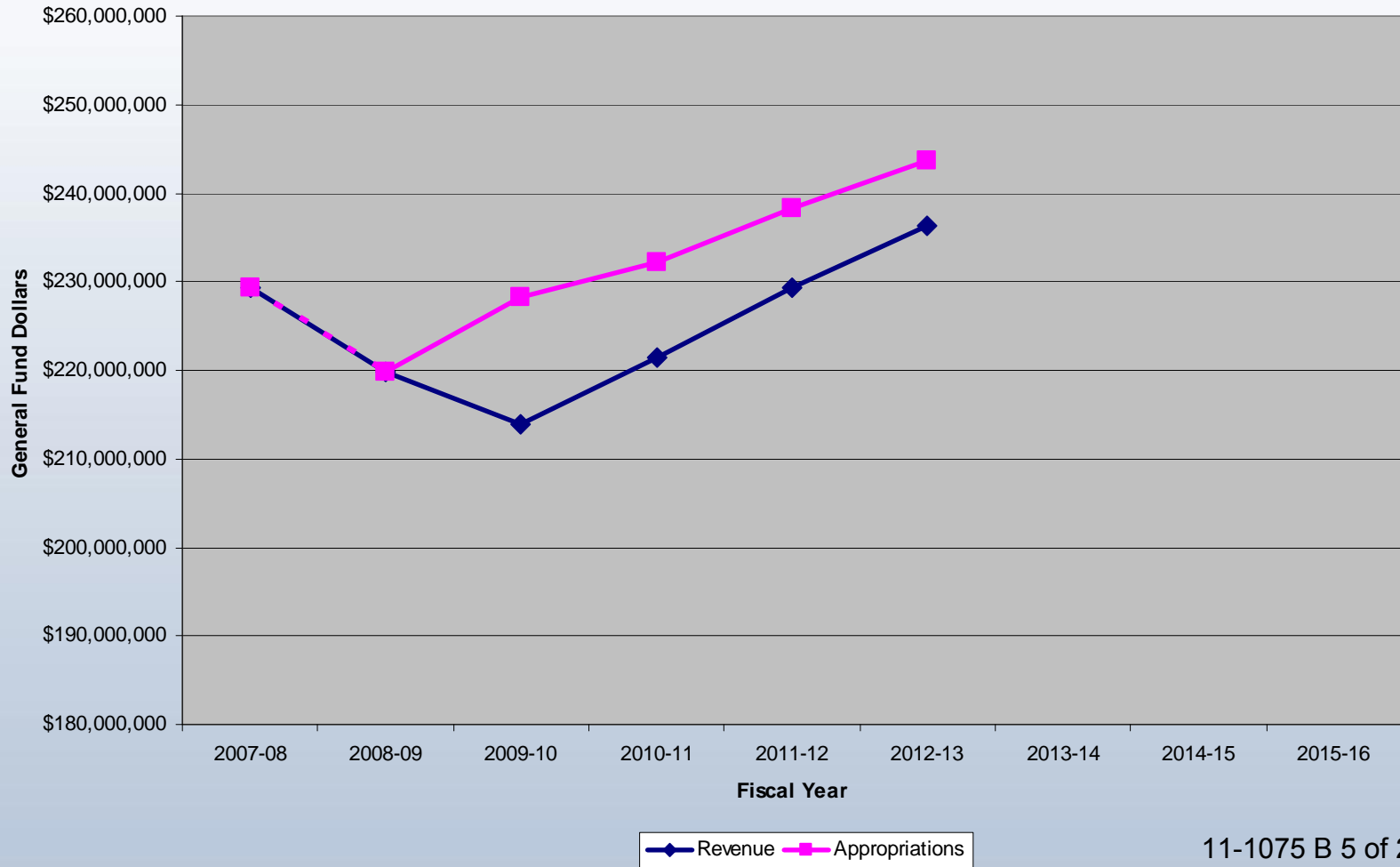
# FY 2007-08

## Five Year Forecast



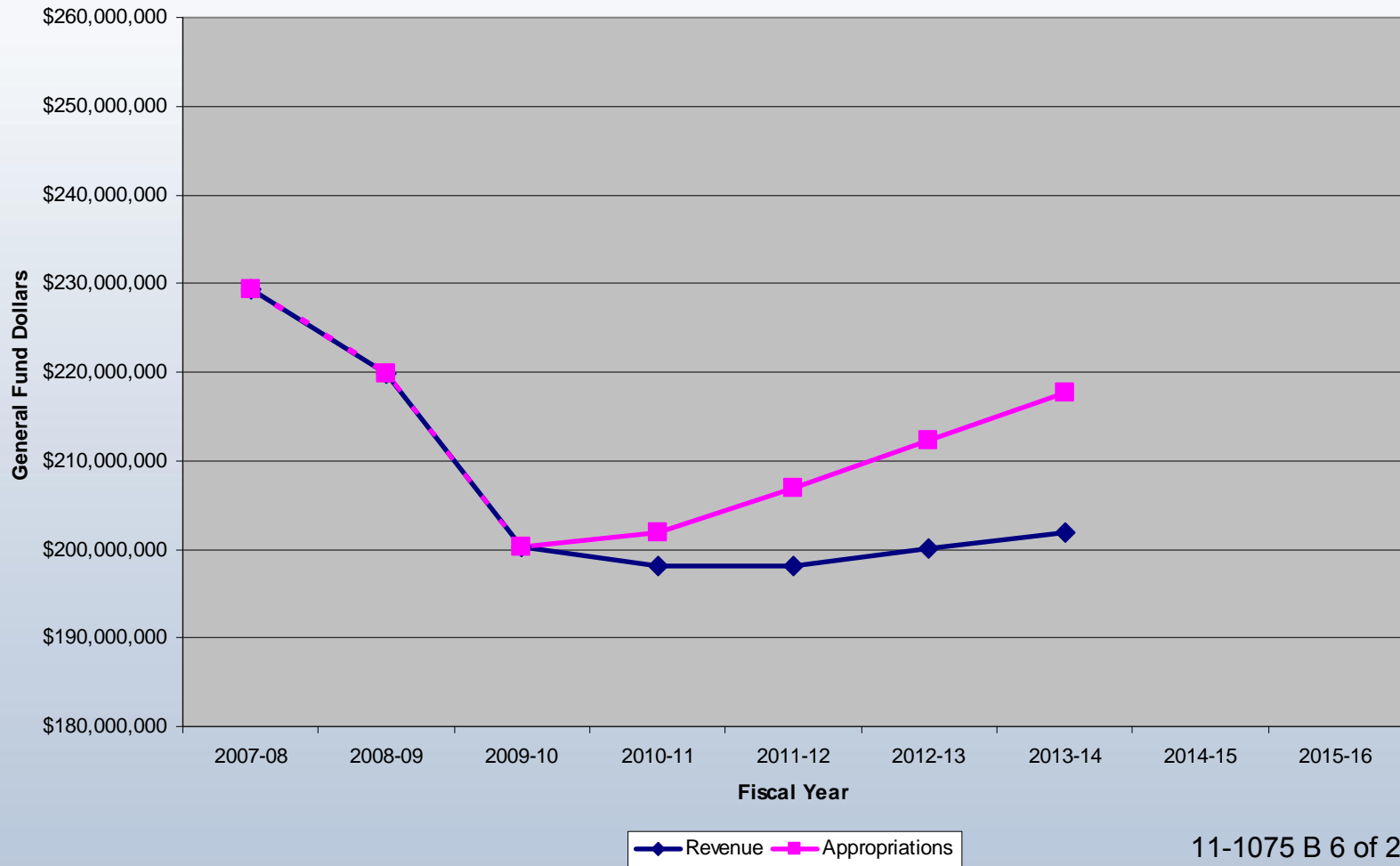
# FY 2008-09

## Five Year Forecast



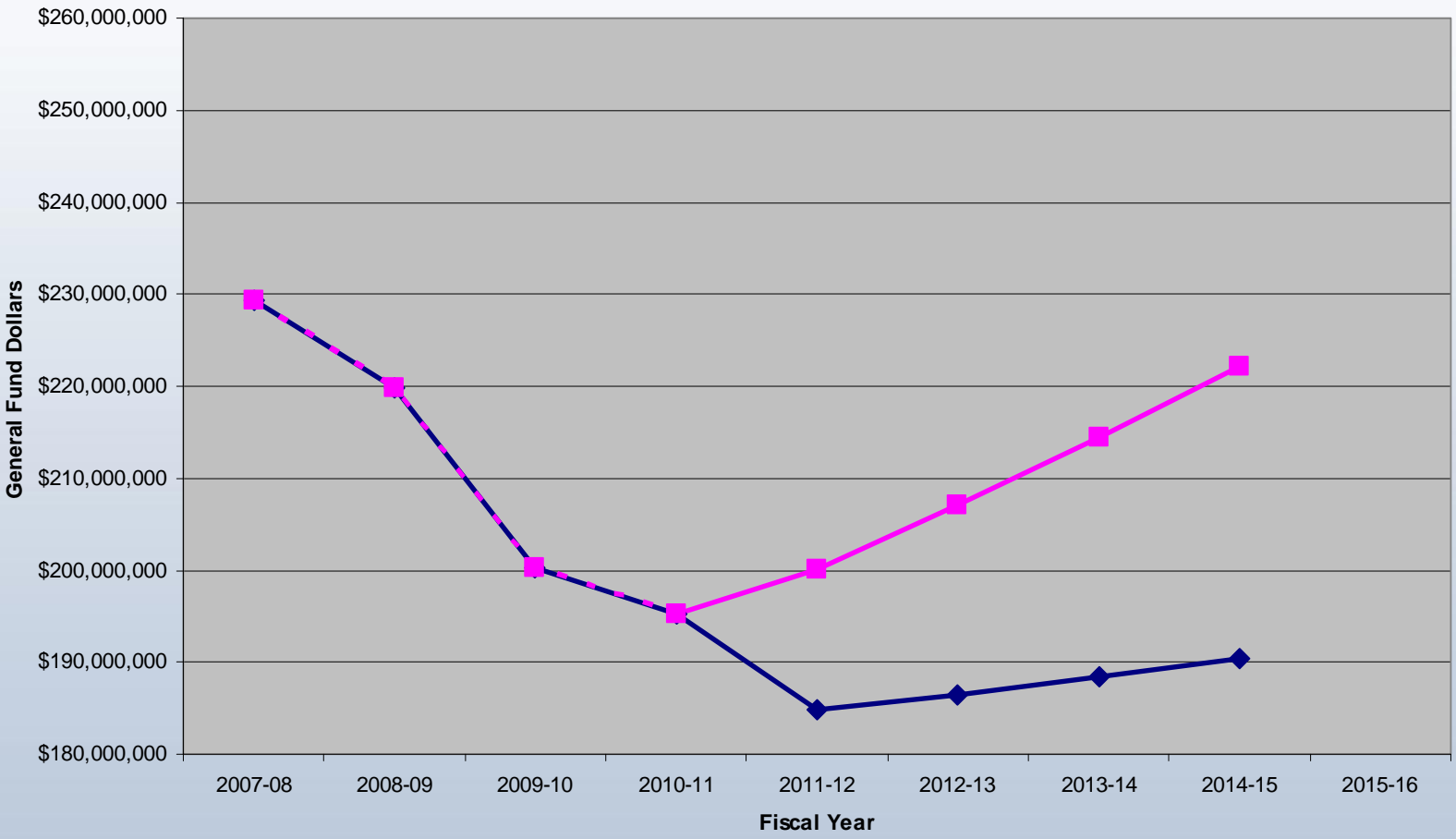
# FY 2009-10

## Five Year Forecast



# FY 2010-11

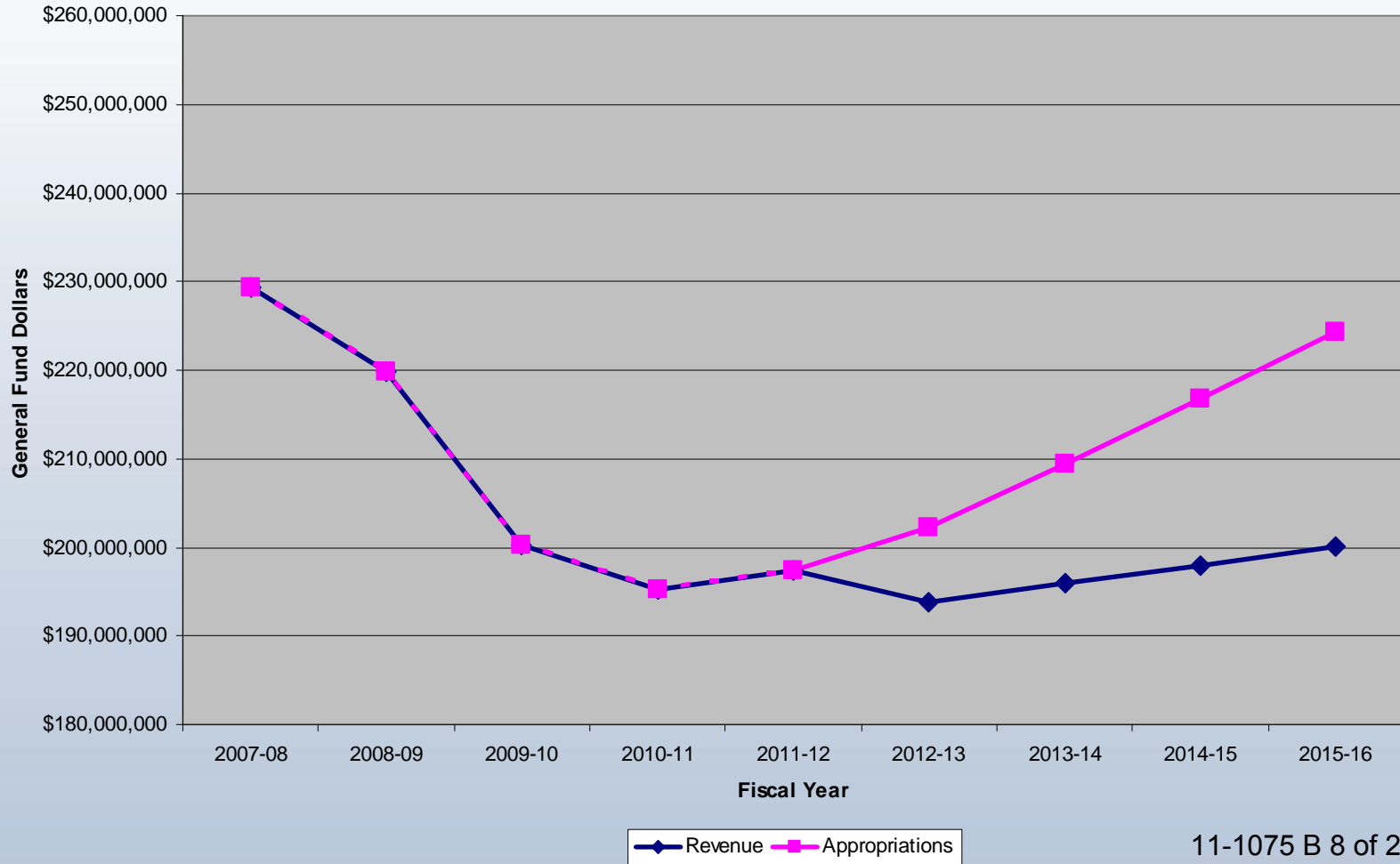
## Five Year Forecast



◆ Revenue    ■ Appropriations

# FY 2011-12

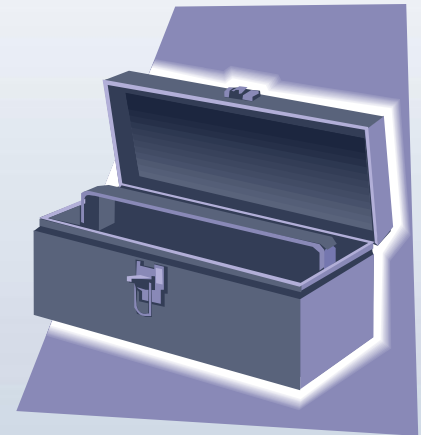
## Five Year Forecast





# What's Been Our Solution?

- Fund Balance
- Delete Vacant Positions
- Furloughs
- Other One-time Funds
- Position Reductions



**Short Term Strategies**

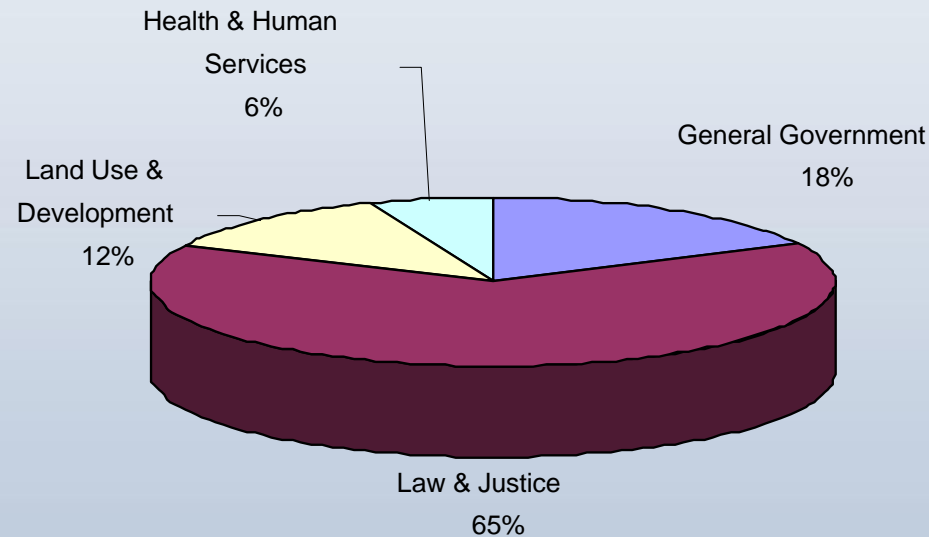
# What will be the impact?

- Short term strategies only buy time
  - Can no longer cut our way out of persistent structural deficits
- Diminishing Levels of Service
  1. Do more with less people
  2. Do the same with less people
  3. Do less with less people
    - Every \$1,000,000 equates to approximately 10 positions

# Where will the impact occur?

- Most impact will be in Law & Justice

**Share of County Discretionary Revenue**



# What is Our Goal?

- Merely balance the budget?
  - Address shortfalls as they come?
    - Be content with diminishing service levels?
- Position organization to avoid, minimize and manage shortfalls

# Long Term Strategy Needed

- Long term strategy must:
  - Limit Government
    - Replace costly, antiquated, inefficient systems that require more and more people to maintain
  - Enhance Services
    - Reduce operating costs
      - Turn savings into services
    - Allow employees to become more efficient
- Invest
  - Maximize every dollar

# Investment Plan Strategy

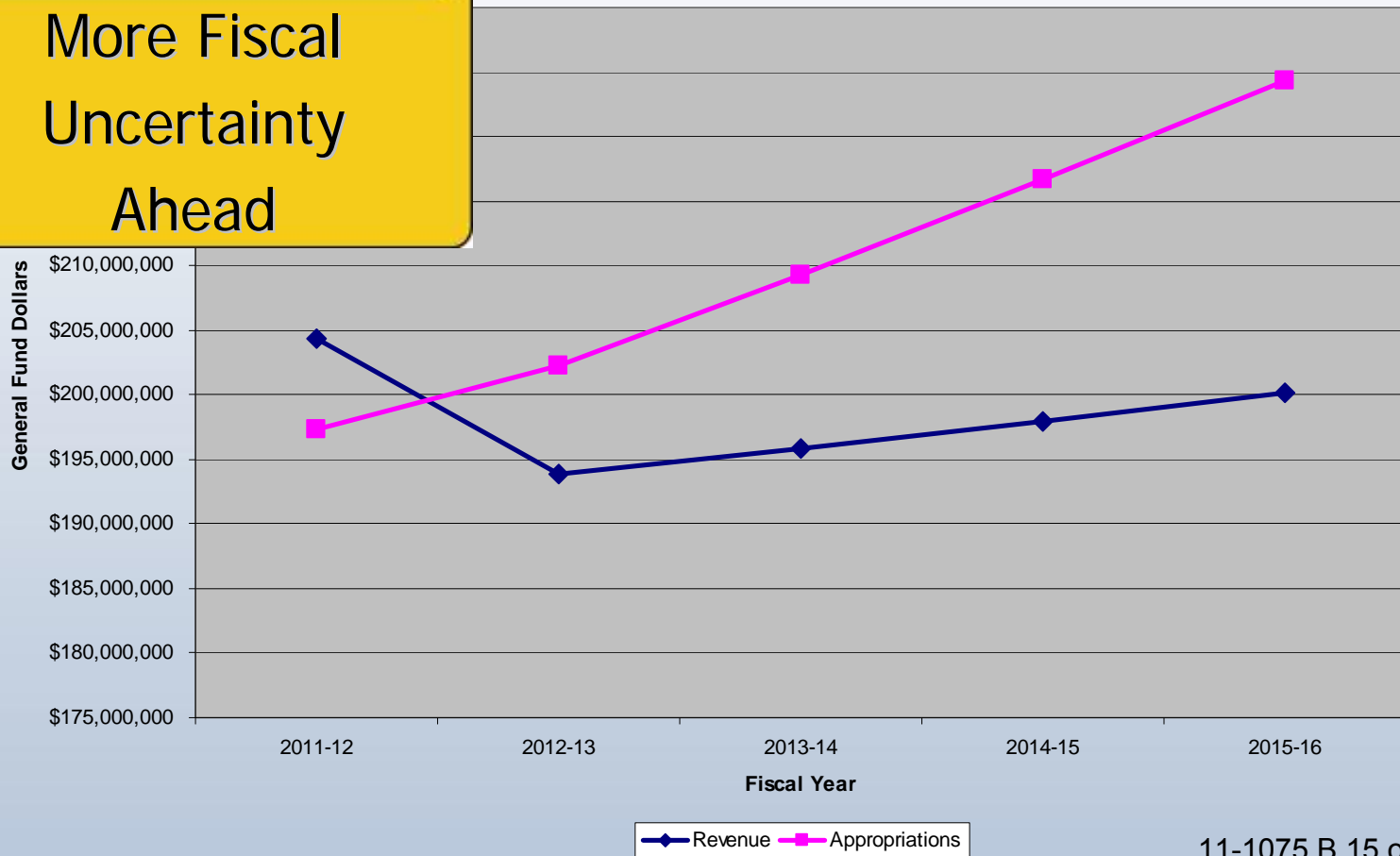
- Spend Conservatively
- Invest Wisely
- Be Flexible and Ready to Act

# Spend Conservatively

**CAUTION**

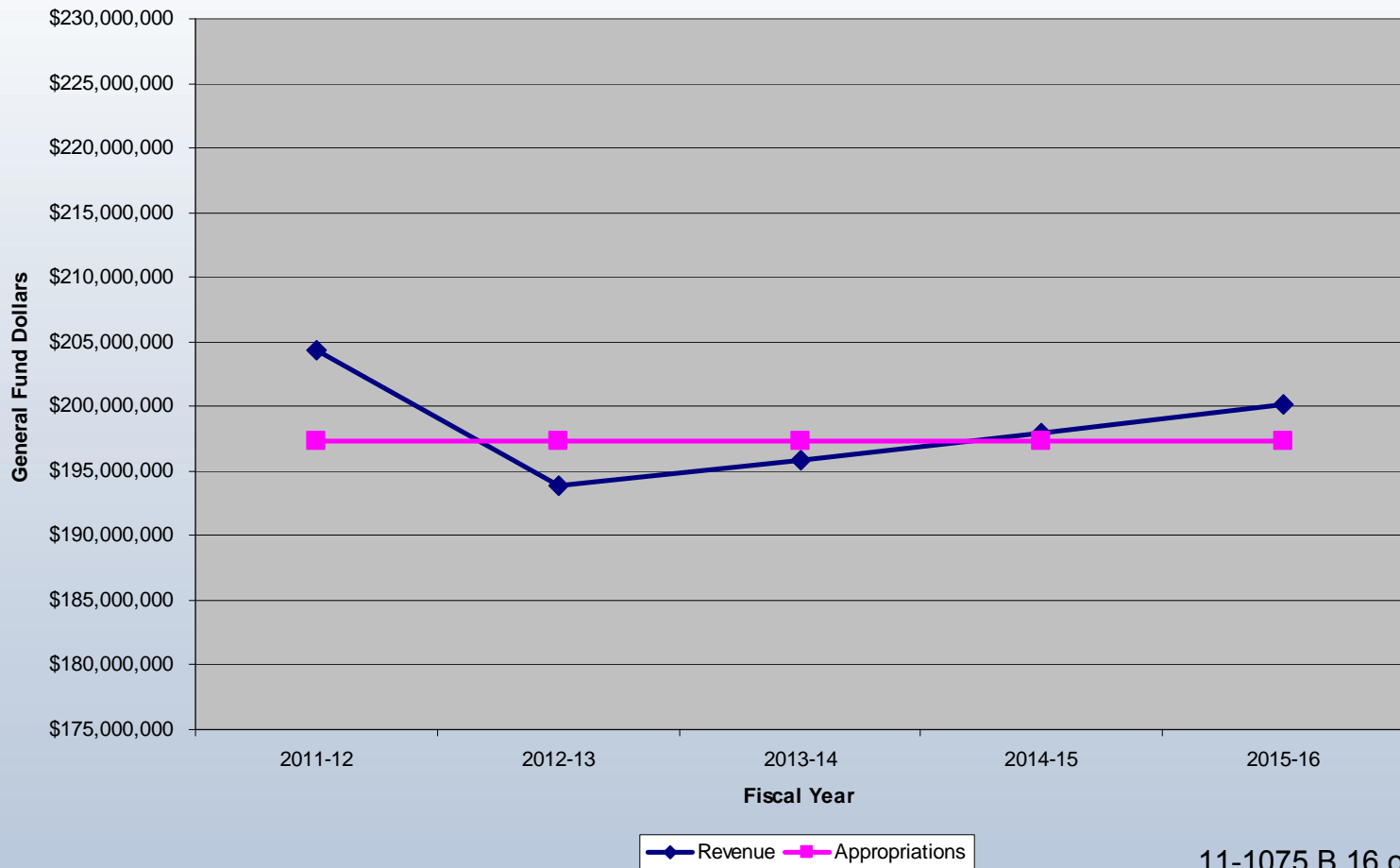
More Fiscal  
Uncertainty  
Ahead

FY 2011-12 Five Year Forecast



# Spend Conservatively

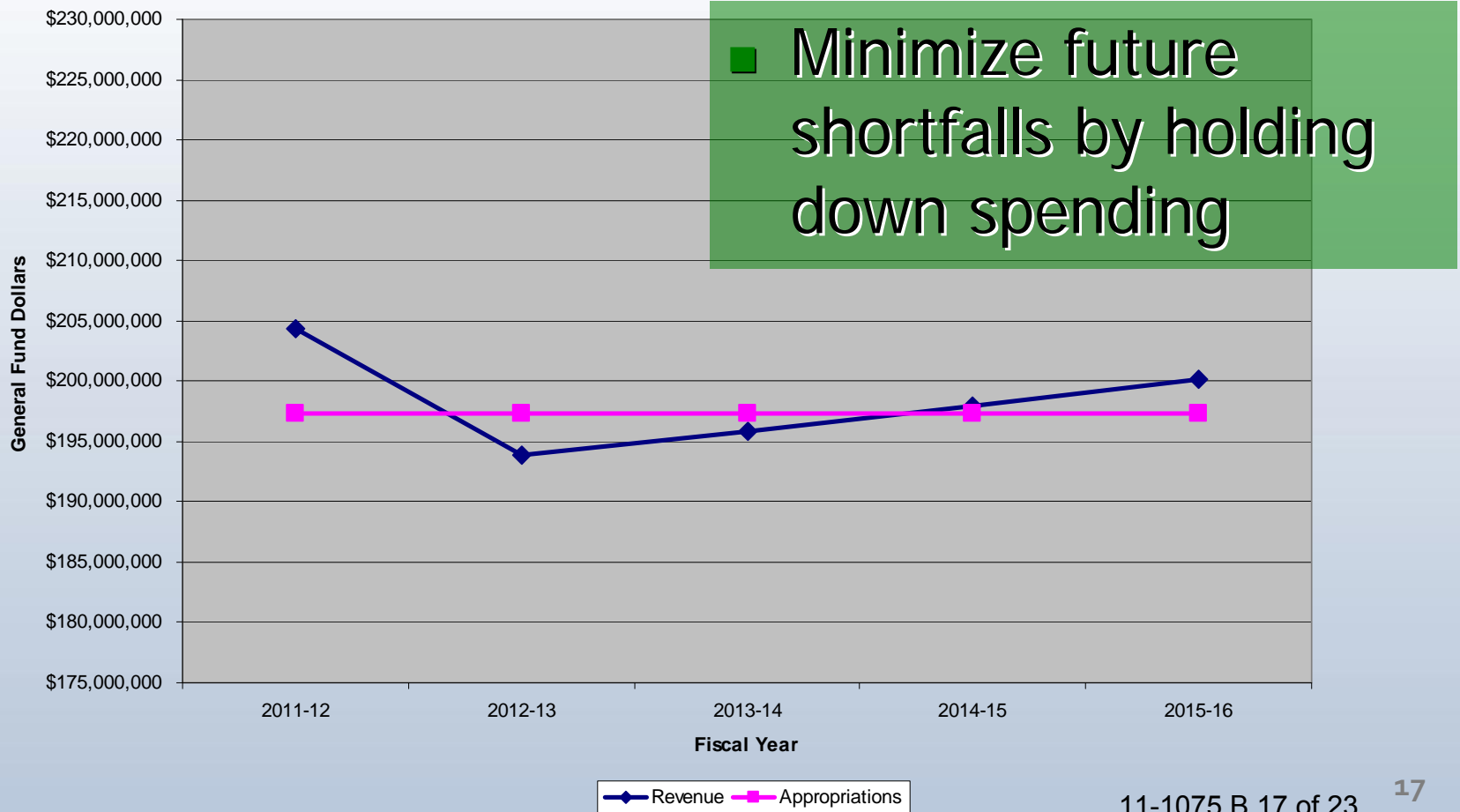
Five Year Forecast (No Spending Growth)





# Spend Conservatively

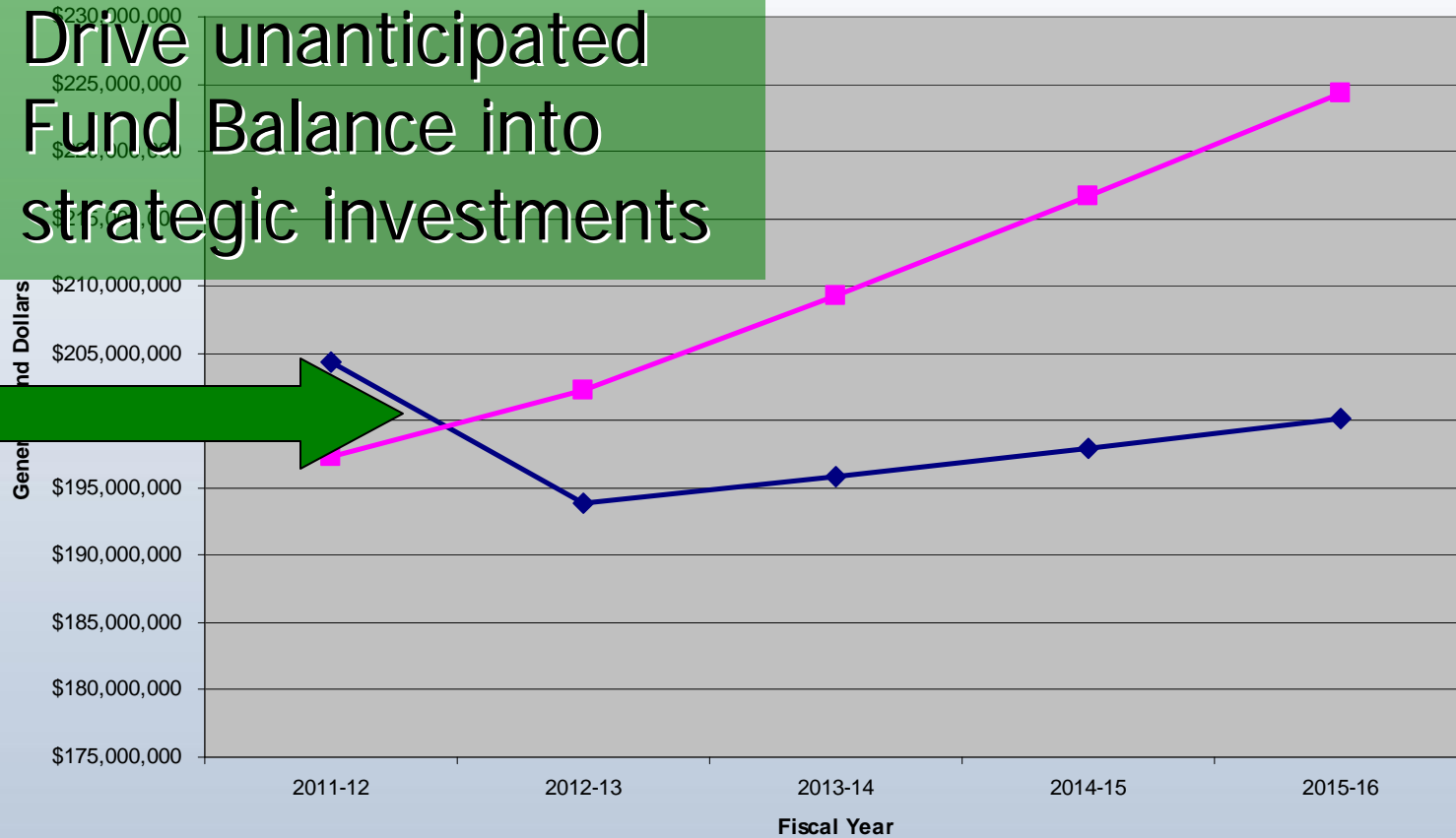
Five Year Forecast (No Spending Growth)



# Invest Wisely

FY 2011-12 Five Year Forecast

■ Drive unanticipated Fund Balance into strategic investments



◆ Revenue ■ Appropriations

# Investments

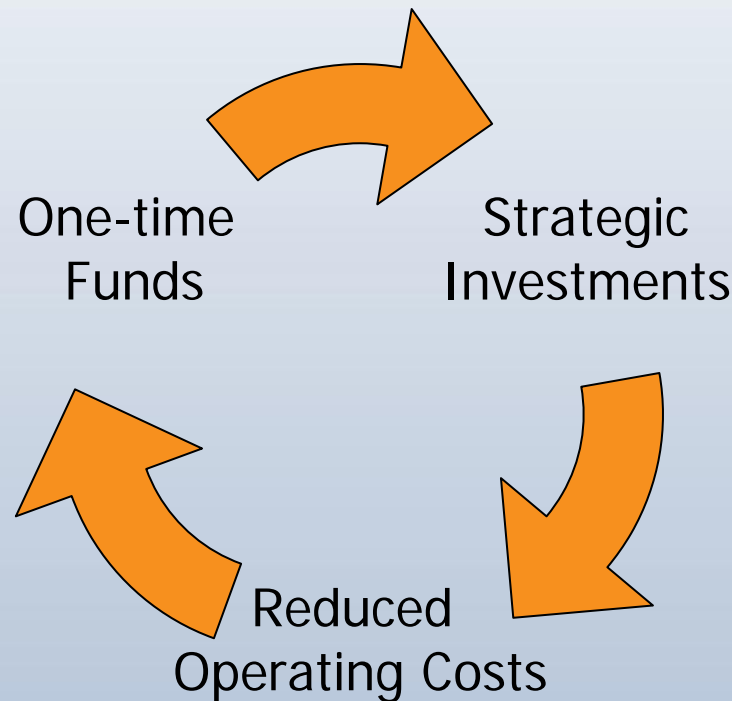
- Accounting System
- HR/Payroll System
- Property Tax System
- Land Management Information System
- E-mail
- Legistar Utilization
- Improved Standards
  - Customer Service
  - Financial Operations
- Property Management
- Improved Procedures
  - Risk Management
  - Records Storage
  - Labor Relations
  - Contracts/Purchasing
- Proactive business attraction/retention
- Staff/Management Training
- Legislative/Regulatory
- Communication

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\$18,235,000

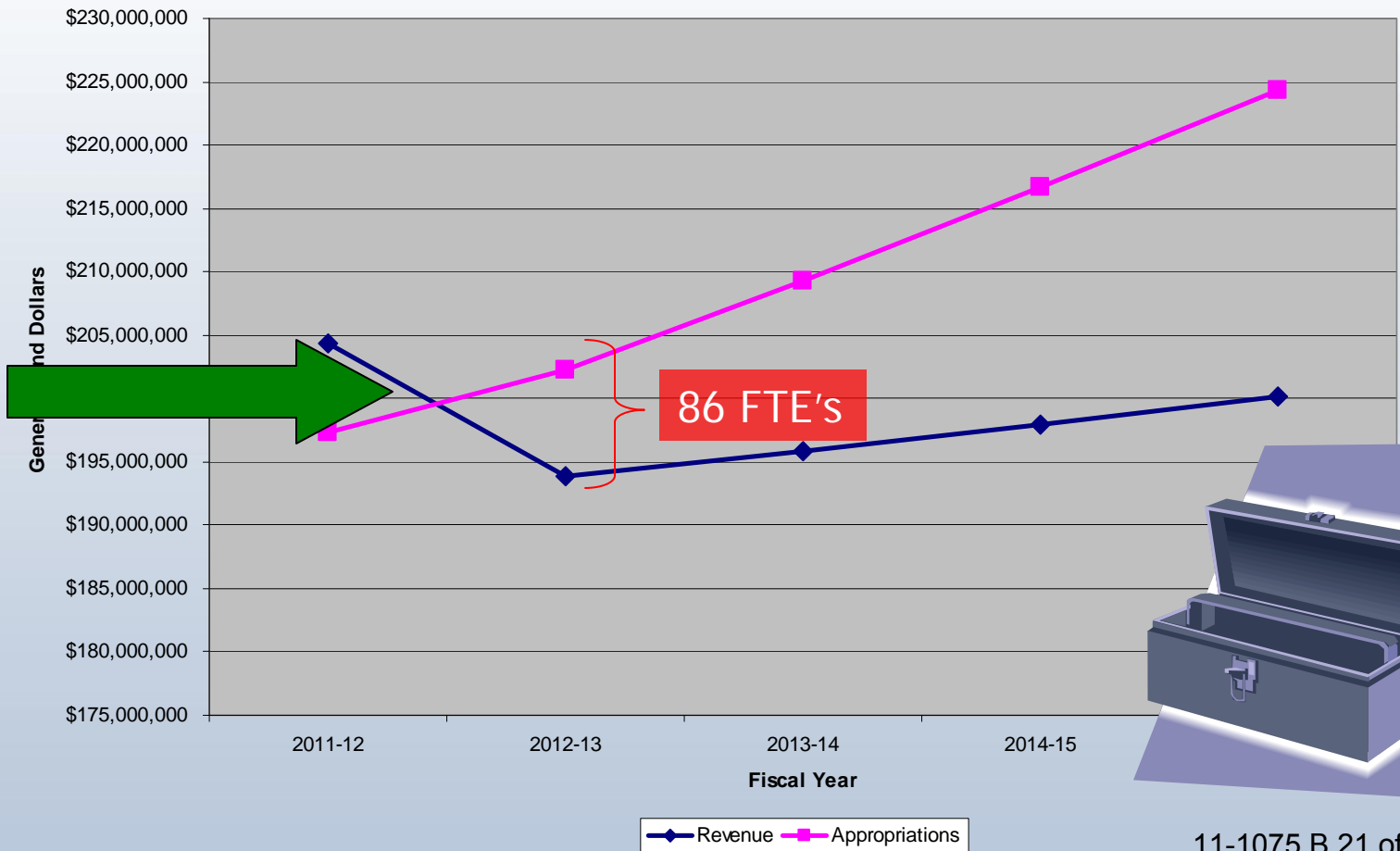
# Executive Management Estimates

- ≈\$35 million annually beginning in year five
- Save at least 20% in FTE's



# Be Flexible and Ready to Act

FY 2011-12 Five Year Forecast



# Next Steps

- Approve Investment Plan (conceptually)
- Remain Flexible
  - Don't cut now
  - Monitor budget
- Expect Executive Management Team to recommend priority investments:
  - Existing resources
  - Cost-effectiveness

“I like the dreams of the future  
better than the history of the past.”

Thomas Jefferson