



Jim Mitrisin <jim.mitrisin@edcgov.us>

Fwd: April 15, 2015, Special Board Meeting - County Budget- Significant Drop in Cash Balance

1 message

Joe Harn <joe.harn@edcgov.us>

Wed, Apr 15, 2015 at 2:58 PM

To: EDC COB <edc.cob@edcgov.us>, Jim Mitrisin <jim.mitrisin@edcgov.us>, Kim Dawson

<kim.dawson@edcgov.us>

Joe Harn
Auditor-Controller
El Dorado County

----- Forwarded message -----

From: **Joe Harn** <joe.harn@edcgov.us>

Date: Tue, Apr 14, 2015 at 6:30 PM

Subject: April 15, 2015, Special Board Meeting - County Budget- Significant Drop in Cash Balance

To: Brian Veerkamp <brian.veerkamp@edcgov.us>, Ronald Mikulaco <ron.mikulaco@edcgov.us>, Sue Novasel <sue.novasel@edcgov.us>, Michael Ranalli <michael.ranalli@edcgov.us>, Shiva Frentzen <shiva.frentzen@edcgov.us>

Cc: The BOSTHREE <bosthree@edcgov.us>, The BOSONE <bosone@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>, Pamela Knorr <pamela.knorr@edcgov.us>, Laura Schwartz <laura.schwartz@edcgov.us>, Robyn Drivon <robyn.drivon@edcgov.us>, Michael Ciccozzi <michael.ciccozzi@edcgov.us>, "John.dagostini" <John.dagostini@edso.org>, Jon DeVille <devillej@edso.org>, Karl Weiland <Karl.Weiland@edcgov.us>, Vernon Pierson <vern.pierson@edcgov.us>, Cherie Raffety <cherie.raffety@edcgov.us>, Shari Sumpter <shari.sumpter@edcgov.us>

Dear Board Members,

There is a significant adverse trend in the County's General Fund Cash Balance.

In the last 12 months the County's General Fund Cash Balance has dropped \$16 million. At March 31, 2014, the balance was \$20,482,271. Two weeks ago, at March 31, 2015, the General Fund Cash balance was \$4,321,614.

The most significant increase in spending has been in salaries and benefits. General Fund salaries and benefit expenditures are \$13 million higher for the nine month period ending March 31, 2015, compared to the nine months ending March 31, 2014.

Your Board needs to take steps to swiftly cut spending. If spending is not significantly cut soon, your Board will need to make draconian cut to vital public services, including public safety in the summer of 2016.

Below you will find the e-mail that I sent the Board of Supervisors on September 25, 2014. In the September 25, 2014, e-mail, I conclude that the Fiscal 2014-15 Budget adopted by the Board of Supervisors is irresponsible.

Also, attached you will find the letter that I wrote the Board of Supervisors on September 15, 2014, documenting my opposition to the then CAO's Proposed Budget.

Joe Harn

14-1647 Email from Auditor-Controller 4-15-15

Auditor-Controller
El Dorado County

----- Forwarded message -----

From: **Joe Harn** <joe.harn@edcgov.us>
Date: Thu, Sep 25, 2014 at 2:57 PM
Subject: Fiscal 2014-15 Budget
To: The BOSFIVE <bosfive@edcgov.us>, Jim Mitrison <jim.mitrison@edcgov.us>
Cc: The BOSTHREE <bostthree@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>, The BOSONE <bosone@edcgov.us>, Theresa Daly <theresa.daly@edcgov.us>, Laura Schwartz <laura.schwartz@edcgov.us>, Keely Giovannoni <keely.giovannoni@edcgov.us>, Robyn Drivon <robyn.drivon@edcgov.us>, Shiva Frentzen <shiva.frentzen@edcgov.us>, Shiva Frentzen <shivafrentzen@gmail.com>

Board of Supervisors,

Please consider this communication my formal warning that the Budget that your Board directed be finalized on September 23rd by a 3 to 2 vote will lead to a severe drop in the financial position of the County. The General Fund Contingency Appropriation based on your Board's actions during the Budget Hearings has dropped to just below \$3.9 Million. At the end of the Budget Hearings one year ago, our General Fund Contingency Appropriation sat at \$10.2 million. \$3.9 million is the lowest Contingency number in 10 years. This is a dramatic drop. This will result in a much lower general fund carry-forward at June 30, 2015, and will result in the necessity of draconian spending cuts next summer.

Further, because of the King Fire, if there was ever a year when we needed a large contingency, this is it. Further, the Forced Salaries Savings budget balancing gimmick will also lead to a much lower general fund carry-forward at June 30, 2015.

I must conclude that the spending plan adopted by your Board on September 23rd is irresponsible.

Joe Harn
Auditor-Controller
El Dorado County

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Thank you.



BOS FY 2014-15 Budget Hearing Let 9-15-14.pdf

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County of El Dorado

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JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-
Controller

September 15, 2014

Board of Supervisors
El Dorado County
330 Fair Lane
Placerville, CA 95667

LATE DISTRIBUTION
DATE 9/15/14

RE: Budget Addenda FY 2014-15 dated 9-10-2014

Dear Board Members:

The purpose of this letter is to document my opposition to the CAO's Budget Recommendation.

The CAO's Recommendation will result in a much bigger general fund budget problem in Fiscal 2015-16. The County needs to cut spending now to avoid drastic cuts and drastic layoffs next summer.

The CAO's Forced Salary Savings is a gimmick to balance the general fund budget on paper. It will not result in what is necessary, a cut in general fund spending.

The CAO's most recent 5 year general fund forecast indicates a \$17,000,000 shortfall for Fiscal 2015-16. The Forced Salary Savings gimmick will significantly increase this projected shortfall.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Joe Harn".

Joe Harn
Auditor-Controller