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Sacramento supervisors borrow to plug budget holes, delay cutbacks

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As long as you have the checkbook out ...

That was essentially the message from several groups to the Sacramento County Board of Supervisors on Tuesday.

While the board did cut about \$8.5 million to help close a \$65 million general fund shortfall this fiscal year, the supervisors pushed off most tough decisions to July 1 by borrowing \$27 million from other funds to buoy up public safety and domestic violence prevention programs, and by using general fund money to cover shortfalls in tourism and arts programs.

"I hate to borrow money. I hate to defer decisions," Supervisor Jimmie Yee said.

But making all of the cuts necessary to balance the current budget in the last quarter of the fiscal year would be too draconian, he added.

So instead, he and the supervisors made very few cuts.

Sheriff John McGinness, District Attorney Jan Scully and Chief Probation Officer Verne Speirs appeared before the board to ask that the supervisors approve almost \$17.3 million in interfund transfers to cover shortfalls in their respective departments this year. Last month, the board had approved \$17.3 million in fund transfers for health and human services.

"The cuts will be coming, we know that," McGinness said.

But, without a loan, trying to close a \$12.4 million shortfall in his department in the final months of the fiscal year would mean slashing 300 to 350 patrol officers, McGinness said.

Instead McGinness and the other officials asked the board to loan the money so they could prepare for the real budget slashing to come in the 2009-10 fiscal year, which starts July 1. The departments then will be able to spread the cuts over 12 months.

"The reductions are mammoth," Speirs said. "We're going to have to reorganize the department."

The board approved the fund transfers, but not without debate.

Supervisor Roberta MacGlashan has said she is concerned by the large interfund transfer and pushing off tough decisions. She told County Executive Terry Schutten that she'd prefer to do a 16-month budget.

Schutten said his office was proposing the cuts the county could handle now.

Supervisor Roger Dickinson expressed hope that there might be help on the horizon – the "x-factor" – before July 1. "What can we realize from the federal stimulus package?"

County officials said they couldn't forecast the full impact.

As long as it was transferring money, the board decided to shift \$112,000 from an unrelated fund to pay for contractor WEAVE's domestic violence prevention program. The Department of Human Assistance will be responsible for paying that money back.

The board also decided to reduce cuts to several organizations that promote the arts, tourism and athletics.

Due to a \$600,000 reduction in revenue from hotels – the so-called transient occupancy tax – officials had recommended that the county cut \$300,000 from a variety of organizations and use the general fund to cover the other \$300,000.

The proposed cuts included 17 percent reductions in funding to the Sacramento Convention and Visitors' Bureau, Sacramento Sports Commission and Sacramento Metropolitan Arts Commission, among other groups. Supervisor Don Nottoli recommended reducing those cuts to 10 percent.

Supervisors Roger Dickinson and Jimmie Yee joined Nottoli in reducing the cuts – meaning the general fund will need to cover another \$94,000 of the revenue loss.

"You don't have a whole community if you don't have these aspects of your community as well," Dickinson said.

Supervisors Roberta MacGlashan and Susan Peters opposed the move. Both said the action put off the inevitable.

"It's not going up, guys. The numbers are just going down," Peters told her colleagues. "I'd prefer we move along smartly and absorb the things we need to absorb."

The board approved two measures aimed at reducing controversial perks: vacation cash-outs and take-home cars.

The board approved a measure requiring department heads to manage their workers' vacation time "in order to minimize the payout of vacation hours accrued above the maximum accrual limits."

The county has been paying some workers – mostly supervisors and law enforcement personnel – for vacation time they accrue above a 400-hour cap. Last year, the county spent \$8.2 million as a result of vacation cashouts. The measure, which passed unanimously, does give officials discretion in whether they push employees to take time off.

Law enforcement officials and supervisors have expressed concerns that overtime costs for sheriff's deputies could be greater than the savings from forcing officers to take vacation. Supervisor Roger Dickinson asked staff to crunch the numbers to see if that is the case.

The supervisors also approved a measure that should reduce the county's vehicle fleet and take-home cars. By the start of this year, the county's fleet had more than doubled since 2001 to almost 2,900, of which almost a third were take-home cars.

The county will now get rid of cars that aren't driven at least 7,500 miles per year and will reduce the number of employees eligible for take-home cars.

The county has been working with department heads to make sure the new policies are adequate, said Michael Morse, director of the General Services Department.

"Generally there is some concern because this has been a long-standing practice," Morse told the board.

"Long-standing practice doesn't make it the right thing to do," Supervisor Jimmie Yee responded.

The supervisors did cut 63 positions. Most of those were already vacant, but 19 people could lose a job if the county can't find a spot for them somewhere else. The cuts eliminate \$8.5 million from the general fund.

Hardest hit was the Facility Planning, Architecture and Real Estate Department, which lost 15 positions. Other cuts included \$41,588 for one position from the Weights and Measures Division, \$228,434 for the elimination of the mobile spay and neuter clinic, and \$23,000 to suspend a Leadership Academy Class.

For more information, visit the supervisors' Web site at www.bos.saccounty.net.

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