

County: We should think long-term

By Jonathan Edwards | Enterprise staff writer | February 16, 2010 09:35

WOODLAND - Jim Provenza's first boss told him about the 'red-hot poker theory': People making demands are like a mob chasing you with hot pokers; listen to the one closest to your butt.

As a Yolo County supervisor representing Davis, Provenza's derriere feels the heat of a projected \$21 million budget deficit next year.

So supervisors started talking about ways to close the gap, which jeopardizes lives, on the first day of a budget workshop last week. On the second day, however, supervisors took a deep breath and looked past the pokers.

'You become ... inherently reactive, paying attention to the crisis of the minute and not focusing on long-term stuff,' Provenza said.

He noted he was 'skeptical at first' of changing from a one-year to a three-year budget process when he was a trustee on the Davis school board. But he found it forced him to focus on the long term.

Such future-minded planning ensures that those making decisions will 'always look at long-term consequences, even if those are changing.'

'We should take some steps to become financially independent,' echoed Auditor-Controller Howard Newens in his recommendations to the board, 'and take control of our financial destiny.'

Other counties and cities across the nation have started looking three, five, 10, even 20 years down the road, and their forced foresight paid dividends, said Shayne Kavanagh, a consultant from the Government Finance Officers Association, who moderated the workshop.

Newcastle County in Delaware, for example, stared down tens of millions in deficit by investing and aggressively collecting on services provided.

Their investments returned \$14 million in three years, while their beefed-up collections made an additional \$6 million over four years.

And diversify your portfolio, Kavanagh added. Avoid a single point of failure, he said in his PowerPoint presentation, such as getting a bulk of funding from the state.

Yolo County received 68 percent of its money from the state in 2001, according to Newens' report overviews fiscal trends over the last decade. Last year, it was down to 59 percent with 'charges for services' mostly making up the difference.

Still, Supervisor Mike McGowan said he feels his arms are tied by those above. 'We are a tool, an arm of the state government,' he said.

And that reality not only guides the money the county gets, but also the work that gets done. State and

federal laws dictate what and how social services and law enforcement are provided and pigeonhole local elected officials.

'We're very limited in deciding what work we'll do,' McGowan said.

Supervisors were joined by the county's 24 department directors, who shared their thoughts on the county's future finances.

Public Guardian Cass Sylvia encouraged them to use the deficit and forced cuts as a way to root out waste. 'We do have problems,' she said, 'not total runaway spending, but I don't think we've all quite ponied up the truth on some things.'

She suggested some department heads had squirreled away some unnecessary projects or programs that could've been cut.

'You've got to clean out the closet before you put new junk in it.'

McGowan, however, worried more about getting the money already owed the county by the state. In particular, the Department of Alcohol, Drug and Mental Health Services has a multimillion-dollar backlog of unpaid services stretching back nearly a decade.

'That's money,' he said. 'We're not in front of the Capitol with a torch and pitchfork, and ... I think we should've been.'

But long-term financial planning isn't just about money, Kavanagh said. In fact, a successful plan 'isn't just Christmas tree decorations; it's something the organization lives and breathes on a daily basis.'

Hanover County in Virginia resembles Yolo insofar as it's at once agricultural yet a stone's throw from a metropolis (Washington, D.C.). Hanover decided to go beyond the one-year budget; the county administrator there knew it was working when he heard people chatting in the hallways about a project saving \$50,000, the number they determined equaled an employee's pay.

'We just saved someone's job,' they reportedly said.

'Resilient' local governments go beyond just the halls of city hall or the county administration building, Kavanagh told Yolo County leaders.

In Coral Springs, Fla., City Hall uses citizen volunteers to give input on budgets for public safety and planning and public works.

'When these folks go home at the end of the day and talk to their friends, they tell them, 'Hey, Coral Springs, they're pretty on the ball.' '

As a result, a 'grassroots expectation has built up that Coral Springs is going to tackle long-term financial issues in a sustainable way.'

McGowan didn't talk about the Florida city but instead the entire country. 'People have really lost connection across the United States, because they don't see what they're getting for what they're giving.'

And it's not about political ideology; it's that they don't feel enfranchised, involved, engaged. 'They don't even know how to engage in the debate,' McGowan said.

'That's one of the reasons everybody's so mad right now.'