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Citizen Panel Recommends Deep Cuts to Help Solve County Budget Shortfall

After meeting over a five month period, a panel of citizens has made several recommendations to the Jefferson County Board of Commissioners regarding short-term and long-term solutions to the county's growing budgetary problems.

The panel's recommendations will cut several million dollars from the county's 2008 budget to help meet a projected shortfall next year of \$12 million in the county's general operating fund. The revenue shortfall is due to reduced growth in property tax revenue and a decline in building permits, recording fees and auto ownership tax revenue among other factors. At the same time the county is facing increasing federal and state mandates and additional demands on law enforcement, criminal prosecution, social services, road maintenance, traffic mitigation and other services.

The panel further challenged all county elected and appointed officials to trim another \$8 million in expenses next year to enable the county to begin addressing growing capital construction and maintenance needs. In addition to less money for operations, the county is faced with capital construction needs including \$40 million for courtrooms to accommodate additional judges mandated by the State of Colorado; a \$53 million jail expansion and mounting maintenance needs.

The 12-member panel was appointed by the County Commissioners in February and represents a broad cross-section of the community. It was asked to provide an independent review and analysis of county finances from the citizen perspective, reviewing the county's entire financial picture and providing ideas to increase efficiency, enhance revenues and cut costs. The panel met in open meetings and requested and analyzed extensive information about county services and programs, revenue sources, expenses and business practices.

Panel member Mike Feeley, an attorney and former Colorado State Senate Minority Leader noted, "The members of the panel brought very different perspectives to the task. We reached consensus on very tough issues primarily because the county's elected officials and county staff answered all of our questions – everything was on the table and nothing was out of bounds."

Panel member Marion Olson, a former FEMA regional director and U.S. Department of Energy official, added, "The level of commitment, participation and shared leadership that developed in this committee was unique. County officials and staff provided all we needed to consider the difficult budget issues. The product was truly that of the group, not a rehashed version of something the staff prepared."

Panelist Ray Elliott, Lakewood City Councilmember and chief financial officer of Controlled Products Systems Group said, "I am pleased the commissioners were willing to address the financial situation of the county prior to the county being in a financial

crisis. The commissioners were very open to the suggestions of the committee which will provide a brighter financial future for the long-term services Jefferson County residents expect. The recommendations of the committee along with reductions in costs by the other elected officials are absolutely essential for the long-term health of the county. Unless steps are taken to fix the financial imbalance immediately, the disparity between revenue and expenses will continue to grow.”

The majority of the panel’s recommendations were adopted by the Board of County Commissioners in a meeting on June 26. The commissioners, elected officials and county staff also have a massive internal effort underway to look at efficiencies and cost cutting.

Citizen Budget Review Panel member and public affairs consultant Pete Jacobson, a former State Director for U.S. Senator Wayne Allard, said, “I applaud the Commissioners for addressing this financial problem in an open and candid environment. Previous County Commissions had been using reserve funds to help pay for daily operations and I commend the Commissioners for bringing financial discipline to the day-to-day operational budget of the County. I am also very encouraged with the Commissioners’ willingness to implement even stronger measures.”

The panel’s recommendations are divided into three areas: one time cost recovery, ongoing general fund savings, and taxation and revenue enhancements.

Greg Stevinson, developer of Denver West Office Park, 17-year member of the Jefferson County Open Space Advisory Committee, and panel member said, “We needed to identify one-time cost savings; recommend structural changes to the way the General Fund was being used that would permanently reduce future General Fund deficits; and look at temporarily deferring several needed capital projects as part of a future master study of the capital needs of the county.”

Among the one-time savings recommendations are:

- delaying a \$4.8 million sheriff’s mountain substation
- postponing a \$3 million courtroom remodel that would accommodate the first of several new state mandated judges
- setting aside \$3 million that could be realized from the sale of land that includes Table Mountain Animal Shelter
- selling surplus county properties and
- developing an incentive plan to reward departments that save taxpayer dollars.

Recommendations for ongoing operational savings include:

- trimming county employee benefits
- negotiating a countywide cable franchise fee
- consolidating services with other entities such as a county-wide emergency dispatch center and law enforcement training academy.

Stevinson said the panel strongly recommended that no tax or mill levy increases be implemented at this time. “We want the county to make the very best use of existing revenues before seeking additional funds. Raising taxes won’t solve the operational problems. Please remember the capital needs are a separate issue and need to be looked at soon. The county commissioners must implement more cost saving measures, ensure that spending does not exceed revenues and we commend them for stopping the previously used practice of using fund balances and reserves to pay for operations. We encourage all other county elected officials to do the same in their departments so that the pain of budget reductions will be spread equally across the county.”

The panel will reconvene in the fall to further analyze capital needs and ways to fund those needed improvements along with additional recommendations. The full report of the Citizen Panel is attached.