



## **F. Milene Henley, Auditor San Juan County**

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### **How Are We Doing?**

#### **A quarterly review of County finances by the County Auditor, F. Milene Henley Third quarter 2011**

I am often asked if I like my job. That's an unfair question, of course: to tell the truth would make me sound like a whiney public employee, and not to tell the truth would make me a liar. So I do what all good public figures do and side-step the question. "It's a terrible time to be in government." Or "My predecessor really knew when to retire." Or, more directly, "It was fun the first year and a half; after that, not so much."

Case in point: the third quarter of 2011 saw the County adopt a mid-year budget reduction for the second time in three years. This reduction was not so deep as the 2009 cut; netting revenue losses against revenue gains, we had to cut only \$258,000 from a \$13.7 million general fund budget. That compares to a one million dollar cut in 2009. In 2009, we eliminated about ten jobs; this year, about five. Notably, it took more jobs, proportionately, to achieve a much smaller reduction this year, because there just isn't much else left to cut.

The good news is that third quarter results are, thankfully, unremarkable. I could bore you with details, but in short: County revenues are meeting our reduced expectations, and county expenditures are falling within budget. While I am watching our cash balances closely to see whether we will meet budgeted 2011 ending cash amounts, I am more focused at this point on the 2012 budget than on the 2011.

The 2012 preliminary budget contains another \$250,000 in reductions. The total general fund budget is not down by that amount; on the contrary, projected revenues for 2012 are \$200,000 higher than in the reduced 2011 budget. But expenditures continue to grow faster than revenues, so we have to reduce projected expenditures—and another three and a half jobs—in order to stay even.

These reductions are not without consequence. When I first joined the County in 2007, there was a lot of "fluff" in the budget. After four years of budget sculpting, most of that is gone. Now, with every reduction in jobs comes a reduction in service. We may provide the same services, but we make the services available for shorter hours, or we take longer to perform them, or we do them less well. That kind of "nibbling at the edges" can't go on. Ultimately, we will need to either reduce services or increase revenue to maintain the services we have. The choice will be yours.

Our best hope for long-term budget sustainability is to re-examine the structure of government. A Charter Review Commission is currently being elected to do just that: examine the structure of San Juan County government. Cast your ballot, and once the

election is over, let the elected commissioners know your ideas. Ultimately, County government is yours, and we must shape government to provide the services you want, at a cost you are willing to pay, and in the manner that you want them provided.