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## Contra Costa County leaders see a bleak 2010

By Rick Radin  
The Contra Costa Times

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Contra Costa will see at least two more years of budget cutbacks, which will almost certainly cause the county to reduce even further the services it has already slashed, according to county Administrator David Twa.

The board of supervisors hired Twa in May specifically because he had experience running a Minnesota county that also was dealing with declining revenue. The board gave him a resounding vote of confidence this month by endorsing the hiring of his former assistant in Minnesota as deputy administrator.

Twa and Terry Speiker will have their work cut out in advising supervisors about how to cope with \$93.5 million in anticipated budget reductions and cost increases over the next 3½ years, including an estimated \$60 million increase in pension costs. The figure doesn't include anticipated millions of dollars in state funding losses.

The county has sliced about \$150 million from its \$1.2 billion budget and has spent about \$1.7 million of its \$106 million reserve fund since the middle of 2008.

"The next fiscal year is going to be difficult and the year after that even more difficult," Twa said. "There are going to be more cuts from the state and further

declines in property tax. It's going to be a tough couple of years."

Twa has laid out a plan to cope with the unprecedented challenges to the county's finances:

Restructure the county's pension system to eliminate pension spiking and create a lower benefit tier for new employees. Pension spiking, through such methods as selling back unused vacation pay in an employee's final year, has a minor effect on costs, but is a major irritant to taxpayers, Twa said.

"If we are going to expect the public to help us find new sources of revenue, we have to show we have our own house in order," Twa said. "We have to eliminate things that create problems, such as pension spiking."

Twa estimates that Contra Costa will have to contribute an extra \$105 million to its employee pension plan over the next six years to sustain current benefit levels.

Contra Costa may ask union members to pay a higher percentage of their salaries to pensions. The county now covers an average of 75 percent of pension contributions with employees adding 25 percent.

Sign employee unions to new contracts that will save money on salaries and benefits. The county is negotiating with eight unions, including the Deputy Sheriff's Association. Seven of the unions are working under contracts that expired in 2008 and 2009.

Upgrade county information systems to make such tasks as payroll more efficient.

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"We need better technology because we aren't going to be able to restore the positions we have eliminated and will be eliminating," Twa said.

Restructure health plans for current employees.

"Large deductibles, greater co-pays give employees more choice," he said. "The goal would be to keep the costs in line with what they are now."

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