


EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF FEBRUARY 27, 2019

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer 

AGENDA ITEM #9: PUBLIC HEARING TO CONSIDER AND ADOPT THE FINAL
BUDGET FOR FISCAL YEAR 2019-20

RECOMMENDATION

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2019-20;
2. Open the Public Hearing on this matter;
3. Adopt LAFCO Resolution L-2019-07 approving the Final Budget for Fiscal Year 2019-20, which reflects the Commission's priorities for the coming fiscal year; and
4. Direct staff to transmit the Final Budget to the funding agencies and others as specified in Government Code §56381.

REASON FOR RECOMMENDED ACTION

The recommended LAFCO Budget provides adequate funding for El Dorado LAFCO to meet the responsibilities of the Cortese-Knox-Hertzberg Act. By State Law, this agency adopts its own budget in a two-stage process with notice to all funding agencies.

BACKGROUND

Budget Summary

Revenues – This is the first budget to employ known amounts in three of the four revenue streams for LAFCO. Because these are known numbers, the Commission can be confident that these funds are available for the identified expenditures in the budget. Overall revenues are up. The fee revenue is up because of more applicant activity. In 2018, earned fee revenue came in \$13,000 on top of the estimate (\$6,777) for 2018-19.

- Fund balance (carryover) revenue is up because of the delay in hiring the Assistant Policy Analyst position. As a result of these dynamics, the agency contributions will remain essentially flat next year.
- Employee Costs – As explained last month, these will be lower because of the Administrative Assistant’s retirement at the end of 2019. A pleasant surprise is that the costs for retirement and health insurance are lower than forecast in 2018.
- Operational Costs - Almost all operational expenses are expected to remain flat. Because of these, plus the additional revenues, it is possible for the Commission to fund the EID MSR/SOI study it authorized in August 2018 and allow for the Commission to start an IT infrastructure replacement fund.

Retirement Costs Outlook

As a reminder, the CalPERS rate is expected to increase steadily in the next few years because of the CalPERS Board of Directors’ decision to cut the “discount rate” in January 2017. This is what the employer rate is forecast to be in the next few years, according to LAFCO’s latest valuation report:

	Employer contribution	Projected future employer contributions*			
Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24
Employer Rate	10.221%	10.9%	10.9%	10.9%	10.9%
UAL Payment	\$2,933	\$5,000	\$7,400	\$9,300	\$10,000

*From the August 2018 Valuation Report

Budget at a Glance

Budget	FY2018-19	FY2019-20
Employee Expense	\$387,283	\$357,316
Operating Expense	\$123,023	\$188,643
Operating Contingency	\$12,302	\$18,864
Expense Total	\$522,609	\$564,823
Non-Agency Revenues	\$7,277	\$14,251
Agency Contributions	\$456,033	\$464,121
Prior Year Fund Balance	\$59,299	\$86,451
Revenue Total	\$522,609	\$564,823

Attachments

- Attachment A: Approved Work Plan, FY 2019-20
- Attachment B: Proposed LAFCO Budget FY 2019-20
- Attachment C: Draft Resolution L-2019-07