

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MARCH 24, 2010

REGULAR MEETING

TO: Ken Humphreys, Chairman, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #6: PUBLIC HEARING TO CONSIDER AND ADOPT THE FINAL
BUDGET FOR FISCAL YEAR 2010-11

RECOMMENDATION

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2010-2011;
2. Receive information related to adjustments in expenditures;
3. Open the Public Hearing on this matter;
4. Adopt the Final Budget for Fiscal Year 2010-2011, which reflects the Commission's priorities for the coming fiscal year; and
5. 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

Summary

In February, the Commission discussed and approved the Proposed Budget that covered the agency's projected costs for employee and operating expenses. The budget also funded most of the Commission's priorities for the coming year. Revenues are expected to be higher, mostly due to the carryover from this fiscal year into the next. Expenses were higher in some areas, but the net effect was a wash because of decreases in other areas. The only unresolved issue is staff recommendation to outsource the MSR for El Dorado Irrigation District (EID) and, if possible, Georgetown Divide Public Utility District (GDPUD), to a consultant. The discussion in Item #5 of this agenda should help the Commission with this decision.

Correction to Proposed Budget

The budget in Attachment B of this report is the approved Proposed Budget from February. LAFCO staff caught an error in the budget relating to General Ledger (GL) number 5350 (In Lieu Health Insurance). The Executive Officer used the wrong base number in his calculations; consequently, the amount is off by \$899. Staff requests that the Commission correct this error by using the budget in Attachment C as the basis for its Final Budget.

MSR Outsourcing

The Commission approved the Work Plan and provided direction to staff on its priorities. The outstanding issue from the February discussion related to MSR outsourcing. Staff had originally recommended utilizing \$65,000 to hire a consultant to prepare the EID MSR, and if funds allow, an MSR on GDPUD. Some members of the Commission were hesitant to commit those funds for that purpose. These funds were moved from GL 6501 (MSR Outsourcing) to GL 6300 (Operating Contingency), pending further action after the discussion on the purpose of MSRs (Item #5 of this Agenda) and in the deliberations surrounding the adoption of the Final Budget. Not allocating funds to outsource to a consultant means that LAFCO staff would prepare these MSRs in-house.

Other Considerations

Recent developments warrant further consideration by the Commission since they have the potential of impacting the budget.

- Given Judge Melikian's ruling setting aside the memorandum of understanding between the Shingle Springs Band of Miwok Indians and EID related to providing water to the Shingle Springs Rancheria, and given that at this point it is unknown what course of action the parties will choose to take as it relates to the conditions of the 1988 annexation (either against LAFCO or in collaboration with LAFCO), there is a likelihood that LAFCO will come to rely on legal services in the coming year. A potential increase in Tribe-related activities by staff and counsel was not anticipated when the Budget Ad Hoc Committee and staff crafted the budget in January. The Commission may want to contemplate whether sufficient funds have been budgeted for legal services (GL 6090) in the coming year.
- If the Commission is not inclined to budget for outsourcing, it should consider using part of those funds towards the digitally archiving files project. For the past four years, the Commission has been generally supportive of those efforts, and LAFCO staff has been working on scanning files to aid in this effort (back to 2000 for proposals and back to 2006 for Commission meetings). However, ultimately to make this project a success, and useful to the public, will mean purchasing software and equipment, training as well as contracting with an archiving consultant.

Attachments

- Attachment A: Approved Work Plan, FY 2009-10
- Attachment B: Proposed LAFCO Budget FY 2010-11, as adopted on February 24, 2010
- Attachment C: Revised Proposed LAFCO Budget FY 2010-11
- Attachment D: Budget Staff Report for the February 24, 2010 Meeting