

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MAY 26, 2021

REGULAR MEETING

TO: Tim Palmer, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer 

AGENDA ITEM #7: REVIEW OF LAFCO'S SIGNATURE AUTHORITY POLICIES

RECOMMENDATION

Staff recommends that the Commission review its current signature authority policies and amend the policies as necessary.

REASON FOR RECOMMENDED ACTION

This item is brought up at the request of Vice Chair Hidahl. The current signature authority limit for the Executive Officer is \$10,000 for services. The payment for a South Fork Consulting invoice earlier this year exceeded that amount and required a second signature. Staff asked Vice Chair Hidahl to countersign. At the next meeting he asked for this item to review the policies.

BACKGROUND

Approximately 10 years ago, the Commission adopted Policy Section 2.9 (Attachment A) outlining the signature authority of the Executive Officer relative to the Commission. The policy also governs the number and types of bids that are needed for any purchase of a good or service based on the cost to the agency. In summary, the EO can unilaterally make any payment or purchase up to \$5,000 for a good, up to \$10,000 for a service and per Section 2.7, up to \$7,000 for health benefits. Anything above those amounts requires a review and authorization by the Commission.

Section 2.9 was intended to complement Section 2.7 (Attachment B), which governs the agency's finances. Section 2.7 also specifies that the Commission is to review all claims

paid by the agency on at least a quarterly basis. In practice, staff includes a review of claims in every packet, encompassing the time period from the last review of claims to current. In addition, staff includes a Budget vs. Actual in every packet so the Commission can review all expenditures from the beginning of the fiscal year to current.

Lastly, per Section 2.7, the Commission account has up to 4 signatories: the EO, the Chair, the Vice Chair and "local designee" who lives in or near Placerville who could be available in a relatively short amount of time in case the others are not available to either sign or countersign. Please note that the latter position has not been assigned this year.

In his request, Vice Chair Hidahl indicated that he wanted to review the signature authority policies in case they needed to be updated, up to and including raising the signature authority for staff. Staff does not believe that raising the EO signatory amounts is warranted at this time, but it has identified one minor, potential update to Section 2.7.2(b)ii to make it consistent with Section 2.9:

Disbursements **for goods** in excess of \$5,000 **or for services in excess of \$10,000** will require two signatures. At the discretion of the Executive Officer, a second signature for disbursements of less than ~~\$5,000~~ **these amounts** may be required.

Attachments

Attachment A: Policies & Guidelines Section 2.9

Attachment B: Policies & Guidelines Section 2.7