

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF APRIL 27, 2011*

### *REGULAR MEETING*

**TO:** Ron Briggs, Chair, 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 2011-2012

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#### **RECOMMENDATION**

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2011-2012;
2. Open the Public Hearing on this matter;
3. Adopt LAFCO Resolution L-2011-07 approving the Final Budget for Fiscal Year 2011-2012, 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**

##### *Summary*

In March, 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 an increase in applicant fees. Expenses were

higher in some areas, but the net effect was a wash because of decreases in other areas. The only unresolved issue was a discussion item staff brought up at the hearing, which was the potential use of tablets to cut down on paper and mailing costs. The details are provided below, but in summary, staff recommends not to pursue this idea at this time because it is not as cost effective as previously thought. Staff recommends adopting the budget as is.

### *Tablet Technology*

The proposal was to utilize tablets (such as Apple's iPad or Motorola's XOOM) in lieu of paper packets. The meeting materials would be loaded onto a tablet and distributed to the Commissioners as needed in the same manner as paper packets. The intention was to recover the initial upfront costs of the tablet through savings in postage, copier costs and administrative time to assemble paper packets.

Upon further research, while tablets have the potential of saving money over time, it is not cost effective within the typical three-year period used to amortize technological equipment. While your auditor indicated that a case could be made to amortize the tablets through a longer five-year time span (namely that there would not be any pressure to upgrade or replace the tablets as there are with typical computers), not enough could be recovered within five years to warrant the initial cost. The cost savings appear after seven plus years of use:

<b>Upfront Cost*</b>	<b>Amortization Period</b>	<b>Annual Amortized Cost</b>	<b>Annual Costs (administration, copies, paper, postage, etc.)</b>	<b>Savings</b>
\$8550	3 years	\$2,850	\$1,514.50	N/A
\$8550	5 years	\$1,710	\$1,514.50	N/A
\$8550	7 years	\$1,221	\$1,514.50	\$293.50

\* Cost assumes the purchase of nine first generation iPads (\$449) plus software (\$500)

Please note that your IT consultant recommends the purchasing of an extended warranty on the tablet because there is a risk that the tablets could be damaged in transit. The cost of the warranty is not reflected in the table above. In addition, it is unlikely that an extended warranty could cover a period longer than three years. E-Readers are not a viable option because they can only support text and not graphics.

As indicated in March, staff will continue to provide the packet in paper format until instructed otherwise. Individual Commissioners who would prefer to receive the packet in electronic format should contact the LAFCO office to indicate such a preference.

### Attachments

- Attachment A: Approved Work Plan, FY 2011-2012
- Attachment B: Proposed LAFCO Budget FY 2011-2012
- Attachment C: Draft Resolution L-2011-07
- Attachment D: Budget Staff Report for the March 23, 2011 Meeting