

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF April 27, 2022

REGULAR MEETING

TO: John Hidahl, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

PREPARED BY: Shiva Frentzen, Assistant Policy Analyst

AGENDA ITEM #7 : PUBLIC HEARING TO APPROVE THE FY21-22 BUDGET
PROJECTION, AND CONSIDER AMENDING THE FISCAL
YEAR 2021-2022 WORK PLAN AND FISCAL YEAR 2021-
2022 BUDGET

RECOMMENDATION

Based on the feedback from the Strategic Planning Ad-Hoc committee and the Budget Committee, staff recommends that the commission:

1. Approve FY21-22 Budget Projection;
2. Amend the FY21-22 Work Plan that was approved by the Commission at the March 24, 2021 meeting (agenda item #6) to reflect the addition of “Administer and oversee the outsourcing of the City of Placerville, City of South Lake Tahoe, and Cameron Park CSD MSRs & provide assistance as necessary to ensure the timely completion of the reports”;
3. Amend the LAFCO FY 2021-22 budget by allocating \$93,000 from projected savings in multiple categories to “MSR Outsourcing” (Fund 6501);
4. Adopt Resolution L-2022-03 to amend the budget for FY 2021-22;
5. Direct staff to prepare and circulate the RFPs for the City of Placerville, City of South Lake Tahoe, and Cameron Park CSD MSRs as a priority.

REASON FOR RECOMMENDED ACTION

Amending the FY2021-22 budget is necessary to properly account for projected savings in the budget and utilize the realized savings by the end of the fiscal year.

BACKGROUND

Attachment A is the fund balance projection for FY21-22 based on the actual expenditures as of 3/3/2022. Total income is projected to be \$13,000 less and expenses will be \$106,000 less than what was estimated in the FY21-22 budget. This will yield to a positive projection of \$93,000 that can be allocated to projects for the current fiscal year.

- Line 4000 – Fees (-\$13,000) are expected to be lower than what was originally estimated in the budget based on the current projects and refunds that are due by El Dorado LAFCO
- Total Line 5100 – Salaries and benefits (-\$111,858) will be significantly lower than what was estimated for FY21-22. This is mainly due to the departure of the ex-Executive Officer and hiring of the new EO.
- Line 6020 – Accounting Services (\$5,000) is estimated to be significantly higher than estimated for FY21-22 due to the EO departure and internal staff changes at the bookkeeping provider.
- Line 6090 – Legal Services (\$20,000) is estimated to be more than double of what was estimated for FY21-22 due to complexities and disagreement by the commissioners in 2021 and additional legal involvement for hiring, contract reviews and outsourcing.
- Line 6501 – MSR Outsourcing (-\$13,142) will be lower than what was estimated in the budget for FY21-22 based on the actual contracted amounts.
- Line 6750 – Staff Development (-\$4,000) will be lower than what was estimated in the budget for FY21-22 based on the actual expenditures for this year.
- Line 6501 – Transportation (-\$2,000) will be lower than what was estimated in the budget for FY21-22 based on the actual expenditures for this year.

Attachment B is the compilation of the 49 Special Districts (including the two cities of South Lake Tahoe and Placerville) that are the responsibility of El Dorado LAFCO for Municipal Service Review (MSR) and Sphere Of Influence (SOI) studies. The document contains the Special District name, type of service provided, date of last MSR and their FY19-20 revenue.

Assuming a five-year MSR project plan

- Rows 30 to 34 – All 5 special district MSRs are due this calendar year (2022).
- Rows 35 to 51 – All 16 special district MSRs are past due.

Based on the feedback from the Commission coupled with the size of the agencies and the services they provide, Strategic Planning Ad-Hoc committee requested that staff give priority to the City of Placerville, City of South Lake Tahoe and Cameron Park CSD MSR's to begin in the current FY21-22. Strategizing for the remaining past due MSR's will be done in FY22-23.

Attachment C is the Revised Fiscal Year 2021-22 Work Plan. The Work Plan will include the addition of "Administer and oversee the outsourcing of the City of Placerville, City of South Lake Tahoe, and Cameron Park CSD MSR's & provide assistance as necessary to ensure the timely completion of the reports." Under the New Initiatives section.

Attachment D is the Revised Budget for Fiscal Year 2021-22 and based on the information and detail in the FY21-22 Budget Projection (Attachment A).

Budget at a Glance

Budget	Adopted FY 2021-22 LAFCO Budget Revised on 2/23/2022	Revised FY 2021-22 LAFCO Budget	Delta
Employee Expense	\$319,017	\$207,159	-\$111,858
Operating Expense	\$199,848	\$298,706	+\$98,858
Operating Contingency	\$13,687	\$13,678	
Expense Total	\$532,552	\$519,552	-\$13,000
Non-Agency Revenues	\$14,705	\$1,705	-\$13,000
Agency Contributions	\$463,817	\$463,817	
Prior Year Fund Balance	\$48,530	\$48,530	
Revenue Total	\$532,552	\$519,552	-\$13,000

Attachment E is the Resolution L-2022-03 for finalizing the approval of the FY21-22 Revised Budget and includes Attachment C as Appendix.

Attachments

- Attachment A: Fiscal Year 21-22 Budget Projection*
- Attachment B: Special District MSR data*
- Attachment C: Fiscal Year 2021-22 Work Plan*
- Attachment D: Revised Budget for Fiscal Year 2021-22*
- Attachment E: Resolution L-2022-03 Approving Revised Budget*