

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MARCH 28, 2012

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 2012-2013

RECOMMENDATION

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2012-2013;
2. Open the Public Hearing on this matter;
3. Adopt LAFCO Resolution L-2012-03 approving the Final Budget for Fiscal Year 2012-2013, 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 February, the Commission discussed and approved the Proposed Budget that covered the agency's projected costs for employee and operating expenses. The budget submitted for your approval is essentially a flat budget. Fee revenues are expected to be similar to current, mostly because staff expects to process and complete

the Rancheria reorganization proposal in the next fiscal year and the expected revenues from this application are earned. The carryover is estimated to be lower. The agency contributions are slightly higher. Salary expenses will be higher by 1% in the coming year to reflect increased responsibilities across the board. To compensate, some operational expenses are lower. This budget continues the agency's trend towards reduced budgets as a result of conservative management controls on spending and salary savings.

Budget Summary and Highlights

- *Revenues* – Staff forecasts an increase in fee revenue in the next year, as well as modest growth in interest revenue. Carryover from the current year will be lower, however. Agency contributions will be slightly higher.
- *Employee Costs* – Total costs will increase by \$4,600 over current year's funding levels. Salary costs will increase to commensurate with new responsibilities for staff; however, no significant expenditure is expected in any category. The largest percentage increase year over year (3%) is expected in health benefits (GL 5320).
- *Operating Costs* - The recommended funding for the operational expenses is also flat. Overall costs are down 7%. Most increases for any category are contractual in nature.

Budget Year	FY2011-12	FY2012-13
Employee Expense	\$367,122	\$371,729
Operating Expense	\$106,119	\$98,932
Contingency	\$10,612	\$9,893
Expense Total	\$483,853	\$480,555
Non-Agency Revenues	\$12,650	\$19,158
Agency Contributions	\$315,103	\$318,396
Previous FY Fund Balance	\$155,500	\$143,000
Revenue Total	\$483,853	\$480,555

For further detail on the calculations or methodologies for deriving these line items other than the items discussed in this memo, please refer to the February 22, 2012 Draft Budget Staff Report, appended here as Attachment D.

Since State Law requires that, at a minimum, the proposed and final budgets be equal to the approved budget from the previous fiscal year, the Commission will have to find that, if approved, this lower budget will nevertheless allow LAFCO to fulfill the purposes and programs specified in Cortese-Knox-Hertzberg.

Attachments

- Attachment A: Approved Work Plan, FY 2012-2013
- Attachment B: Proposed LAFCO Budget FY 2012-2013
- Attachment C: Draft Resolution L-2012-03
- Attachment D: Budget Staff Report for the February 22, 2012 Meeting