

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF APRIL 22, 2009*

### *REGULAR MEETING*

**TO:** Francesca Loftis, Chair, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

**AGENDA ITEM #4:** PUBLIC HEARING TO CONSIDER AND ADOPT THE FINAL  
BUDGET FOR FISCAL YEAR 2009-2010

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#### **RECOMMENDATION**

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2009-2010;
2. Open the Public Hearing on this matter;
3. Approve the Final Budget for 2009-2010 by adopting Resolution L-2009-05; 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 approved Proposed LAFCO Budget provides adequate funding for the El Dorado LAFCO to meet the responsibilities of the Cortese-Knox-Hertzberg Act. El Dorado LAFCO adopts its own budget with notice to all funding agencies.

#### **BACKGROUND**

At the February 25, 2009 meeting, the Commission approved the Proposed Budget (refer to Attachment A) and the Work Plan (refer to Attachment B) as the fiscal and workload management tools for Fiscal Year 2009-2010. The revised Proposed Budget contains the funding to implement the Work Plan and this agency's responsibilities under the Cortese-Knox-Hertzberg Act. After the Commission's approval, staff circulated the revised Proposed Budget to all agencies on February 26, 2009 as required by Government Code §56381.

*Budget Summary and Highlights*

Overall the budget is almost \$2,800 lower than current fiscal year. Fee revenues are expected to be double the current year and all other sources projected to be lower. Total agency contributions at \$333,493 are modestly lower than current year by approximately \$2,250. However, several adjustments and differences between this Revised Proposed Budget and the Proposed Budget adopted a few months ago:

- Fund Balance (Carryover from current fiscal year into FY2009-2010) – The carryover amount was adjusted after re-evaluating some expenses and using the Operating Contingency to cover the additional costs associated with the audit, assuming the Commission approved the contract in Item #2D of this agenda. At \$79,034, the Fund Balance is \$626 higher than in the Proposed Budget.
- Employee Costs – The Proposed Budget did not take into account the higher costs associated with a higher vacation accrual rate by the permanent staff because of their tenure. This resulted in an increase of \$1,500 in Accrued Leave. In order to partially offset the cost, the Executive Officer will have five (5) days of unpaid furlough leave. This resulted in an \$850 reduction in salary and PERS contribution costs. However, Employee Salaries and benefits are still \$642 higher in this revised budget than in the Proposed Budget.
- General Liability Insurance – At the time the Proposed Budget was approved, the Commission authorized the Budget Ad Hoc Committee to review the various quotes received by this agency on general liability insurance. At the March 25, 2009 meeting, the Commission voted to pursue a contract with the Special District Risk Management Association. The first year’s cost for general liability insurance is \$3,700, which is \$300 lower than in the proposed budget.
- Annual Audit – The allocation for the audit was increased by \$200 to partially offset the higher costs associated with the Matson and Isom contract, assuming the Commission’s approval was obtained in Item #2D. The Operating Contingency will cover the remaining \$2,800 difference between the contracted rate and budgeted amount.

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.

<b>Budget Year</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>
Employee Expense	\$313,010	\$314,349
Operating Expense	\$101,100	\$97,326
Operating Contingency	\$10,110	\$9,733
<b>Expense Total</b>	<b>\$424,220</b>	<b>\$421,408</b>
Non-Agency Revenues	\$7,344	\$8,881
Agency Contributions	\$335,749	\$333,493
Fund Balance From Prior Year	\$81,127	\$79,034
<b>Revenue Total</b>	<b>\$424,220</b>	<b>\$421,408</b>

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 25, 2009 Draft Budget Staff Report (February meeting agenda item #5).

Attachments

- Attachment A: Revised Proposed LAFCO Budget FY 2009-10
- Attachment B: Approved Work Plan, FY 2009-10
- Attachment C: Draft LAFCO Resolution L-2009-03