

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MARCH 26, 2014

REGULAR MEETING

TO: Don Mette, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #8: PUBLIC HEARING TO CONSIDER AND ADOPT THE FINAL
BUDGET FOR FISCAL YEAR 2014-15

RECOMMENDATION

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2014-2015;
2. Open the Public Hearing on this matter;
3. Adopt LAFCO Resolution L-2014-05 approving the Final Budget for Fiscal Year 2014-2015, 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 is expected to decrease by 2% overall next year. Unfortunately, a decreased carryover, increased costs and lackluster interest income means that the agency contributions are expected to go up by 4%.

Budget Summary and Highlights

- *Revenues* – The carryover into next fiscal year is projected to be lower. Interest rate revenues will be nonexistent because of the deflated Federal savings rate. Fee revenues are expected to be higher than current because of increased activity. Lower revenues from all other sources means that the expected cumulative contribution amount for the funding agencies is expected to be higher, about \$14,000 total, over the current year's contributions.
- *Employee Costs* – Employee costs will decrease by 12% over current year's funding levels. As discussed in February, the budget assumes 50% of funding for a clerk position. Recruitment for the position, subject to workload and the rest of staff being available to train the new hire, will commence shortly after the election results are known. There are no raises for staff and furloughs are still in effect. No increase in expenditures is expected in any category. Retirement costs are 33% lower than current thanks to the new CalPERS contract.
- *Operating Costs* – The recommended funding for the operational expenses is essentially flat, with increases in some line items being partially offset by decreases in other categories. As discussed, \$30,000 has been allocated for a consultant in case staff sees an increase in activity and is unable to utilize the clerk. The funds are also available to use for the MSR/SOI project. Funding for operational expenses is higher by 30%. The budget also includes a 10% contingency.

Budget at a Glance

Budget Year	FY2013-14	FY2014-15
Employee Expense	\$377,961	\$333,400
Operating Expense	\$104,690	\$136,096
Contingency	\$10,469	\$13,610
Expense Total	\$493,120	\$483,106
Non-Agency Revenues	\$6,686	\$14,628
Agency Contributions	\$335,110	\$349,092
Previous FY Fund Balance	\$151,324	\$119,386
Revenue Total	\$493,120	\$483,106

Attachments

- Attachment A: Approved Work Plan, FY 2014-2015
 Attachment B: Proposed LAFCO Budget FY 2014-2015
 Attachment C: Draft Resolution L-2014-05