

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MAY 21, 2008

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 #5: PUBLIC HEARING TO CONSIDER AND ADOPT THE FINAL
BUDGET FOR FISCAL YEAR 2008-2009

RECOMMENDATION

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2008-2009;
2. Open the Public Hearing on this matter;
3. Approve the Final Budget for 2008-2009 by adopting Resolution L-2008-27; 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 March 26, 2008 meeting, the Commission approved the revised Proposed Budget (refer to Attachment A) and the revised Work Plan (refer to Attachment B) as the fiscal and workload management tools for Fiscal Year 2008-2009. 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 March 27, 2008 as required by Government Code §56381.

Budget Summary and Highlights

Overall the budget is \$43,000 lower than current fiscal year. Revenues from all sources are projected to be lower. For the past two years, the fee revenue came from the closure of large and/or long-standing petitions that accumulated a significant amount of earned fees (Bell Woods and Marble Valley in 2006-07 and Briggs in 2007-08), not from new projects. This trend is unlikely to be repeated in FY 2008-09.

Total salary and benefit expenditures are \$18,000 higher than the current year; however, salaries are up a modest 2%. Funding for half of the operating expenditures has been eliminated or reduced by a significant percentage. Most of the remaining operating expenses are budgeted near the same level as the current fiscal year. The items that increased over the current year were because of contractual commitments, such as leases (building and some office equipment). A 10% contingency for any reasonable increase in operating expenses that may occur during the course of the fiscal year was retained, consistent with the Commission's Policies and Guidelines.

A minor adjustment has been made between the Proposed Budget adopted in March and the Final Budget being considered in May. The health benefit cost for FY 2008-09 is \$117 higher than previously estimated. That amount has been added to the Proposed Budget.

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.

Budget Year	FY 2007-08	FY 2008-09
Employee Expense	\$294,459	\$313,010
Operating Expense	\$161,116	\$101,100
Operating Contingency	\$16,112	\$10,110
Expense Total	\$471,687	\$424,220
Non-Agency Revenues	\$14,141	\$7,344
Agency Contributions	\$386,558	\$335,749
Fund Balance From Prior Year	\$70,988	\$81,127
Revenue Total	\$471,687	\$424,220

For further detail on the calculations or methodologies for deriving these line items, please refer to the March 26, 2008 revised Draft Budget Staff Report (March meeting agenda item #5).

Attachments

- Attachment A: Approved Proposed LAFCO Budget FY 2008-09
- Attachment B: Approved Work Plan, FY 2008-09
- Attachment C: Draft LAFCO Resolution L-2008-27