

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JANUARY 26, 2020

REGULAR MEETING

TO: Shiva Frentzen, 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 AMENDING THE 2019-
2020 BUDGET**

RECOMMENDATION

Staff recommends that the Commission:

1. Adjust the LAFCO FY 2019-20 budget by moving a cumulative \$31,075 from “Staff Salaries” (General Ledger Funds 5200, 53,11 5340, 5350, 5400, 5440 and 6800) to “Employee Wage – Temporary” (Fund 5210) and “Professional Services – MSR Outsourcing” (Fund 6501);
2. Suspend Policies & Guidelines Section 2.10.5(b) that calls for a contingency of 10% of operating costs;
3. Adopt Resolution L-2020-06 that adopts the adjusted budget for FY 2019-20; and
4. Direct staff to distribute the resolution and adjusted budget to all of the contributing agencies.

REASON FOR RECOMMENDED ACTION

The Commission has stressed the importance of completing the municipal service review and sphere of influence study for the fire agencies in El Dorado County. There is now a vacancy in the Assistant Policy Analyst position. The Commission can use the salary savings from this vacancy to fund, potentially and partially, the cost of outsourcing the fire districts’ MSR to a consultant as well as bringing someone to assist with the administrative tasks of the LAFCO office on a temporary basis. No net increase in the size of the budget will result from this reallocation.

BACKGROUND

Since the Fall of 2019, the Commission has indicated its preference to complete the fire districts municipal service reviews as soon as possible; this was most recently affirmed in the January meeting. In September, LAFCO staff sent a questionnaire to all 13 districts to start the process; however, only half have responded so far. In addition, staff was also waiting to start the MSRs to see the outcome of the various proposed fire service reorganizations on the Divide. With the Garden Valley Fire Protection District Board of Directors choosing not to pursue any of the options presented by its staff, it seems that things have settled in that part of the county for now.

Staff has circulated a request for proposals for the preparation of this study. The deadline to submit proposals is March 31. The cost of the study is currently unknown. Staff estimates the cost to be around \$90,000, but the true amount will not be known until the responses come in.

In a somewhat unrelated note, because of the vacancy in the Assistant Policy Analyst position, LAFCO now has approximately \$31,000 in salary and benefit savings. Staff recommends that the Commission move \$23,275 of these funds to Fund 6501 (Professional Services – MSR Outsourcing) in order to partially fund the fire MSR in this fiscal year. This will ensure that the Commission can enter into a contract with a consultant and hit the ground running. This also means that the Commission will have to commit monies beyond this initial amount into the FY 2020-21 budget to pay for the remaining cost of the study.

Please note that utilizing all of the salary savings to pay for the fire MSR means LAFCO will not backfill the APA position in this fiscal year. Staff recommends that the Commission retain \$7,800 to pay for a temporary administrative assistant. This is necessary to carry out the administrative tasks that are currently competing for time and attention for your shorthanded staff. These monies would be reallocated to Fund 5210.

By allocating \$23,275 to Professional Services – MSR Outsourcing, additional monies are being allocated to operating costs. As a result, staff also recommends that the Commission suspend Policies & Guidelines Section 2.10.5(b), which states that the budget will fund an operating contingency of 10% of operating costs. Suspending this policy ensures that the 10% contingency in the budget remains at the same level pre-allocation.

Attachments

Attachment A: Revised Budget for Fiscal Year 2019-20

Attachment B: Resolution L-2020-06 Approving Revised Budget

Attachment C: LAFCO Policies & Guidelines Section 2.10