

# EL DORADO LAFCO


LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF MAY 27, 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 #7:** PUBLIC HEARING TO CONSIDER AND ADOPT THE FINAL  
BUDGET FOR FISCAL YEAR 2020-21

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#### **RECOMMENDATION**

Staff recommends that the Commission:

1. Receive the information related to the adopted Proposed Budget for Fiscal Year 2020-21;
2. Open the Public Hearing on this matter;
3. Adopt LAFCO Resolution L-2020-09 approving the Final Budget for Fiscal Year 2020-21, 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 Proposed LAFCO Budget provides 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. If adopted at this meeting, the Commission will complete the second stage of the process.

#### **BACKGROUND**

##### *Budget Summary*

Revenues – While LAFCO collected a larger amount in applicant fees to use in the FY 2020-21 budget, the budget carryover is more than \$63,000 lower. Normally agency contributions make up for any decrease in revenues; however Ad Hoc Committee's goal was to keep agency contributions as low as possible. The near across the board cuts in spending resulted in the agency contributions remaining essentially flat next year.

- Employee Costs – Overall employee costs are down by a total of 9%. Despite restoring some proposed cuts, these will be lower because of a delay in hiring the Administrative Assistant until October (as opposed to the beginning of the fiscal year) and lowering the amount budgeted in accrued leave by having the Executive Officer being away for about 2.5 months next fiscal year.
- Operational Costs - Almost all operational expenses are expected to remain flat, with the only increases being contractual. Costs related to the Commission’s Counsel will be lower because she will not be physically in attendance for all of the Commission’s meetings.
- Because of these cuts, plus the budget allocation in FY2019-20, it is possible for the Commission to fund the MSR/SOI study for all fire agencies in the county.

*Retirement Costs Outlook*

As a reminder, the CalPERS rate is expected to increase steadily in the next few years because of the CalPERS Board of Directors’ decision to cut the “discount rate” in January 2017. This is what the employer rate is forecast to be in the next few years, according to LAFCO’s latest valuation report:

	<b>Employer contribution</b>	<b>Projected future employer contributions*</b>			
<b>Fiscal Year</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Employer Rate</b>	10.9%	10.9%	10.9%	10.9%	10.9%
<b>UAL Payment</b>	\$5,000	\$7,400	\$9,300	\$10,000	\$11,000

\*From the August 2019 Valuation Report

*Budget at a Glance*

<b>Budget</b>	<b>FY2019-20</b>	<b>FY2020-21</b>
Employee Expense	\$334,041	\$299,244
Operating Expense	\$211,918	\$194,755
Operating Contingency	\$18,864	\$12,276
<b>Expense Total</b>	<b>\$564,823</b>	<b>\$506,275</b>
Non-Agency Revenues	\$14,251	\$18,350
Agency Contributions	\$464,121	\$464,503
Prior Year Fund Balance	\$86,451	\$23,422
<b>Revenue Total</b>	<b>\$564,823</b>	<b>\$506,275</b>

Attachments

- Attachment A: Proposed LAFCO Budget FY 2020-21
- Attachment B: Draft Resolution L-2020-09