

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
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April 5, 2006

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: **FY 2006-07 Proposed LAFCo Budget**

RECOMMENDATION

1. Direct the Executive Officer to distribute the FY 2006-07 Proposed Budget for review and comment.
2. Direct the Executive Officer to schedule the Public Hearing on the Proposed FY 2006-07 Budget for the date of **April 20th, 2006**.

DISCUSSION

The Commission is required to adopt a Proposed Budget by May and a Final Budget by June. Final Fund Balance will not be available until late July or early August after year-end closing. Therefore, both the Proposed and Final are based on estimated year-end estimates. A budget update will be provided to the Commission in August regarding the availability of the final year-end fund balance.

Attached please find the proposed FY 2006-07 Commission Budget. The Budget does not propose any increase in contributions from County, Cities and Special Districts. The proposed share-of-cost will remain at \$586,500, or \$195,500 for the 1/3 share-of-cost.

Appropriations increase will be funded from increased carryover and revenue associated with specific projects.

Summary of Changes

<u>Account</u>	<u>Amount</u>	<u>Comment</u>
Net Cost Reductions	(\$25,300)	
CALAFCo Dues Increase	\$2,000	
Salary & Benefits	21,400	Cost of Living Increase
Computer Support	1,000	Cost of Living Increase
Leased Facility	400	Cost of Living Increase
Telephone	500	Cost of Living Increase
Legal Services	20,000	Greenbriar/ Isleton
Environmental Consultant Services	15,000	Greenbriar/ Isleton
Other Professional Services	<u>60,000</u>	SMUD/ Miscellaneous
Total Cost Increase	\$ 95,000	
Project revenue	<u>95,000</u>	
Total Revenue Increase	\$ 95,000	

The General Reserve will remain at \$70,000. No increase is proposed at this time. This money has been set aside in previous years for unanticipated expenses. It cannot be spent without Commission approval.

Summary of Reserve Funding

<u>Budget Year</u>	<u>Amount</u>
FY 2004-05	\$36,000
FY 2005-06	\$34,000
FY 2006-07	<u>-0-</u>
Total	\$70,000

Summary of Changes

The FY 2006-07 Budget is \$164,000 less than the FY 2005-06 Budget. The FY 2005-06 Budget was higher due to the SMUD application. I anticipate that the majority of expenses dealing with the SMUD proposal, as well as revenue as a result of the proposal, will fall within the FY 2005-06 budget year. However, I have included appropriations and offsetting revenues in the FY 2006-07 Budget for last minute unanticipated expenses and in the event that invoices may be received later than June 30, 2006 and cannot be paid by June 30, 2006.

The following table summarizes the total funding contribution from the County, cities and special districts over the last three years.

Summary of Contributions

<i>Budget Year</i>	<i>Amount</i>	<i>1/3 Share from Jurisdictions</i>
FY 2004-05	\$544,500	\$181,500
FY 2005-06	\$586,506	\$195,500
FY 2006-07	\$586,500	\$195,500

CONCLUSION

This budget proposal represents a status quo budget. There are no staffing level changes; no other major expenditures. Ongoing expenditures have increased by anticipated inflation costs or changes in allocated costs, as provided by the County of Sacramento.

PB:Maf
(Budget Memo)